

No. 91-7804

Supreme Court, U.S.

FILED

JUL 24 1992

OFFICE OF THE CLERK

In The
Supreme Court of the United States
October Term, 1992

— ♦ —
SHELDON B. BUFFERD,

Petitioner,

vs.

COMMISSIONER OF INTERNAL REVENUE,

Respondent.

— ♦ —
**On Writ Of Certiorari To The
United States Court Of Appeals
For The Second Circuit**

— ♦ —
JOINT APPENDIX
— ♦ —

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**Petition For Certiorari Filed March 31, 1992
Certiorari Granted June 22, 1992**

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Relevant Docket Entries

February 29, 1988	Petition filed.
April 22, 1988	Answer filed.
September 27, 1988	Amendment to petition filed.
October 13, 1988	Answer to Amended petition filed.
March 6, 1989	Hearing before Judge Clapp
May 22, 1989	Stipulation of settled issues filed.
March 19, 1990	Trial
April 15, 1991	Memorandum Opinion by Judge Whitaker
May 20, 1991	Notice of appeal filed.

UNITED STATES TAX COURT

SHELDON B. BUFFERD &)	
PHYLLIS BUFFERD)	
Petitioners)	
v)	
COMMISSIONER OF)	
INTERNAL REVENUE)	
Respondent)	
)	

Docket No.
3970-88

PETITION

Sheldon B. Bufferd & Phyllis Bufferd ("Petitioners"), disagree with the tax deficiencies, as set forth in the Notices of Deficiency, dated December 4, 1987, issued by the Office of the Internal Revenue at Portsmouth, New Hampshire.

Petitioners' Taxpayer Identification Number is 049-32-7803.

The deficiencies as determined by the Commissioner, are in income taxes for the years 1975, 1976, 1977, 1978 and 1979. The deficiency asserted for 1975 is \$ 3,069.00; The deficiency asserted for 1976 is \$ 3,704.00; The deficiency asserted for 1977 is \$ 6,291.00; The deficiency asserted for 1978 is \$ 13,359.00; The deficiency asserted for 1979 is \$12,555.00. In addition, penalties under Internal Revenue Code Sections 6653(a)(1) and 6659 are also asserted. Petitioners dispute all amounts asserted for each year, and as the basis for their case, allege as follows:

That the determinations set forth in said notices of deficiency, are based on the following errors:

1. The Commissioner erred in determining that the Petitioners did not realize their claimed loss(es) arising from deductions attributable to Printer Associates (the "Partnership").
2. The Commissioner erred, with respect to the loss referred to above, in determining that:
 - a. The venture was a sham which lacked economic substance and should be ignored as part of a scheme designed to inflate income tax deductions.
 - b. The activities were not incurred by a trade or business, or engaged in for profit, or with respect to property held for the production of income.
 - c. Alternatively, the Partnership's depreciation deduction was not allowable because:
 1. The basis of the Technology had not been established.
 2. The amount did not bear a proper relationship to a decline in the property's usefulness.
 3. The Purchase Note lacked economic substance.
 4. There was no entitlement to the deduction.
 5. The amount of non-recourse liability was too speculative, and contingent to be included in any Partner's basis.

3. The Commissioner erred, with respect to the investment tax credit claimed, relating to the purchase of the M-Cell Technology (the "Technology") by the Partnership, in determining that:

- a. The Partnership was not engaged in a trade or business, or entered into for profit, or with respect to property held for production of income.
- b. The Technology did not qualify for the credit.

4. The Commissioner erred, with respect to the Partnership's depreciation deduction, in determining that:

- a. The acquired assets did not have a determinable life.
- b. The amount did not bear a proper relationship to a decline in the assets' usefulness, and that the fair market value had not been established.
- c. The portion attributable to the amount of the Note(s) was not allowable because the Note(s) lacked economic substance.

5. The Commissioner erred, with respect to the Partnership's interest deduction, in determining that:

- a. The amounts claimed were not established as having been paid, or properly accrued, or were deductible in the year claimed.
- b. The interest was not deductible because the loan was contingent, not a present

liability, and because the loan transactions lacked economic substance.

6. The Commissioner erred, with respect to all other deductions of the Partnership, in determining that:

- a. All other deductions were not substantiated, shown to have been incurred, or that they were ordinary and necessary business expenses.
- b. They were unreasonable and excessive.
- c. They were either for syndication, or capital in nature with an indeterminable useful life.

7. The Commissioner erred, with respect to the distributive share of income (loss) from Compo Financial Services, Ltd. ("CFS"), in determining that:

- a. The Petitioners did not realize their claimed loss(es) arising from deductions attributable to CFS.
- b. The Petitioners were not entitled to any tax credits arising from transactions attributable to CFS.
- c. CFS is a partnership.
- d. CFS has a fiscal year ending December 31st.

8. The Commissioner erred in determining that the deficiency was due to negligence or intentional disregard of the rules and regulations.

9. The Commissioner erred in determining that Petitioners had substantial underpayment of tax

attributable to tax motivated transactions and valuation overstatement.

The facts upon which the Petitioners rely, as the basis for the Petitioners' case, are as follows:

1. Petitioners invested in the Partnership which was formed, entered into, operated and conducted for the purpose of making a profit from the exploitation of the principal asset of the Partnership, which consisted of ten computer source tapes together with other personal property (the "Technology").
2. The events and transactions giving rise to the loss actually occurred, and their substance conformed to the forms in which they were structured.
3. Substantial, documented efforts to exploit the Technology have been made over the years.
4. The Technology is tangible personal property with a determinable useful life, and, therefore, was both depreciable and eligible for the investment tax credit.
5. The purchase price of the Technology was its fair market value on the date of acquisition by the Partnership, based upon independent appraisal.
6. The depreciation claimed bears proper relationship to a decline in the property's usefulness, and was allowable under the half-year depreciation convention.
7. The Partnership's basis in the Technology included recourse notes by it to the seller, which, accordingly, are included in the Partners'

basis for depreciation and investment tax purposes.

8. All other deductions of the Partnership were ordinary and necessary business expenses under Internal Revenue Code Section 162, were reasonable in amount, and were actually incurred.
9. Petitioners invested in CFS, a Connecticut corporation having a fiscal year ending November 30th, which had elected to be treated as an "electing small business corporation" for income tax purposes, under Section 1872(a) of the Internal Revenue Code.
10. CFS purchased investment units in the Partnership, and realized the losses and credits it claimed, which flowed from the Partnership per Section 702 of the internal Revenue Code, for the same reasons as stated above in Petitioners' statements of facts relating to their direct investment in the Partnership.
11. Section 702 of the Internal Revenue Code does not apply to corporations, or their shareholders.
12. To the best of our knowledge and belief, no Special Consent to to Extend the Period of Time to Assess Tax had been granted by CFS for its year ending November 30, 1979. Accordingly, the statute of limitations would have expired with respect to any changes in the CFS net income for such year.

Wherefore, Petitioners pray that the Court determine that there are no deficiencies in income tax.

Dated: February 25, 1988

/s/ Sheldon B. Bufferd
 Sheldon B. Bufferd, Petitioner
 1242 Old Academy Road
 Fairfield, Connecticut 06430

/s/ Phyllis Bufferd
 Phyllis Bufferd, Petitioner
 13 Hale Street
 Westport, Connecticut 06880

Illegible

UNITED STATES TAX COURT

Docket No. 3970-88

(Caption Omitted In Printing)

ANSWER

THE RESPONDENT, in answer to the petition filed in this case, admits, denies and alleges as follows:

1. FIRST UNNUMBERED and UNLETTERED PARAGRAPH. Admits that the notice of deficiency, dated December 4, 1987, was issued by the Office of the Internal Revenue Service at Portsmouth, New Hampshire.

2. SECOND UNNUMBERED and UNLETTERED PARAGRAPH. Admits.

3. THIRD UNNUMBERED and UNLETTERED PARAGRAPH. Admits.

4. FOURTH UNNUMBERED and UNLETTERED PARAGRAPH (1) through (9). Denies that respondent erred as alleged in the FOURTH UNNUMBERED and UNLETTERED PARAGRAPH (1) through (9) and all subparagraphs thereunder.

5. FIFTH UNNUMBERED and UNLETTERED PARAGRAPH (1) through (11). Denies.

5. FIFTH UNNUMBERED and UNLETTERED PARAGRAPH (12). Denies for lack of present knowledge or information.

6. Denies generally each and every allegation of the petition not heretofore specifically admitted, qualified ordenied [sic].

WHEREFORE, it is prayed that the deficiencies and additions to tax determined by the respondent be in all respects approved.

WILLIAM F. NELSON
Chief Counsel

Date: Apr 21 1988 Internal Revenue Service

OF COUNSEL:
AGATHA L. VORSANGER
Regional counsel

By: /s/ (signed) Michael P. Breton
MICHAEL P. BRETON
Attorney

By: /s/ Powell W. Holly, Jr.
POWELL W. HOLLY, JR.
District Counsel
Internal Revenue Service
135 High Street, Rm. 259
Hartford, CT 06103
Tel. No. (203) 240-4253
(FTS) 244-4253

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing paper was served on Sheldon B. Bufferd by mailing the same on in a postage-paid wrapper addressed to him at 1242 Old Academy Road, Fairfield, Connecticut 06430 and to Phyllis Bufferd, by mailing the same on Apr 21 1988 in a postage-paid wrapper addressed to her at 13 Hale Street, Westport, Connecticut 060880 and a copy thereof was

mailed to the Tax Court by Express Mail, Receipt No. B 93984393, on Apr 21 1988

Dated: Illegible

/s/ (Signed) Michael P. Breton
MICHAEL P. BRETON
Attorney

UNITED STATES TAX COURT

Docket No. 3970-88

(Caption Omitted In Printing)

STIPULATION OF FACTS

In accordance with Tax Court Rule 91(a), the below-signed parties agree to this STIPULATION OF FACTS pursuant to the general terms of this preamble, unless specifically expressed otherwise. all stipulated facts shall be conclusive. All stipulated exhibits shall be considered authentic. All copies shall be considered electronic reproductions of the originals and shall be treated as originals. The truth of assertions within stipulated exhibits may be rebutted or corroborated by additional evidence. Any relevancy objections may be made with respect to all or any part of the stipulation at the time of submission.

1. The petitioners reported their income and deductions for the taxable year 1979 on the basis of cash receipts and disbursements.

2. The petitioners filed their federal income tax return for the taxable year 1979 (hereinafter, "the 1979 return") on April 15, 1980. A copy of the 1979 return is attached hereto and marked as Joint Exhibit 1-A.

3. The petitioner, Sheldon B. Bufferd, resided at 1242 Old Academy Road, Fairfield, Connecticut, at the time the petitioners filed their petition herein.

4. The petitioner, Phyllis Bufferd, resided at 13 Hale Street, Westport, Connecticut, at the time the petitioners filed their petition herein.

5. The petitioner, Phyllis Bufferd, is not liable for any deficiencies for the taxable years 1975, 1976, 1977, 1978 or 1979 by reason of the provisions of I.R.C. § 6013(e).

6. The petitioner, Phyllis Bufferd, is not liable for an addition to the tax for the taxable years 1975, 1976, 1977, 1978 or 1979 under the provisions of I.R.C. § 6653(a) by reason of the provisions of I.R.C. § 6013(e).

7. The petitioner, Phyllis Bufferd, is not liable for an addition to the tax for the taxable years 1975, 1976, 1977, 1978 or 1979 under the provisions of I.R.C. § 6659 by reason of the provisions of I.R.C. § 6013(e).

8. The petitioner, Phyllis Bufferd, is not liable for the increased rate of interest under I.R.C. § 6621(c) for the taxable years 1975, 1976, 1977, 1978 or 1979 by reason of the provisions of I.R.C. § 6013(e).

9. In 1979, Sheldon B. Bufferd (hereinafter, "the petitioner"), was a shareholder in Compo Financial Services, Ltd. (hereinafter, "Compo").

10. In 1979, Compo was an electing small business corporation within the meaning of I.R.C. § 1371(a). A copy of Election by a Small Business Corporation (Form 2553) filed by Compo on January 2, 1979 is attached hereto and marked as Joint Exhibit 2-B.

11. Compo timely filed a U.S. Small Business Corporation Income Tax Return (Form 1120"S") for the taxable period December 26, 1978 through November 30, 1979 on February 1, 1990. A copy of said return is attached hereto and marked as Joint Exhibit 3-C.

12. Compo did not extend the statute of limitations for assessment of taxes as provided under the provisions of I.R.C. § 6501(c)(4) with respect to its taxable period ended November 30, 1979.

13. On December 21, 1983, the petitioner, in his capacity as Secretary/Treasurer of Compo, executed a Special Consent to Extend the Time to Assess Tax (hereinafter, "Form 872-A") with respect to the taxable period ended November 30, 1980. A copy of said Form 872-A is attached hereto and marked as Joint Exhibit 4-D.

14. On December 15, 1987, the respondent executed a Notice of Termination of Special Consent to Extend the Time to Assess Tax (hereinafter, "Form 872-T") with respect to a Form 872-A dated July 22, 1985, executed by the parties with respect to Compo's taxable period ended November 30, 1982. A copy of said form 872-T is attached hereto and marked as Joint Exhibit 5-E.

15. The petitioner is entitled to an ordinary deduction in the amount of \$20,000.00 for the taxable year 1978, said deduction being equal to his cash investment in Printer Associates.

16. The petitioner is not entitled to any other losses or credits attributable to Printer Associates for any year except as provided in paragraph 15., above.

17. On their 1979 return, the petitioners claimed an ordinary loss with respect to two entities in the total amount of \$11,550.00, summarized as follows:

Printer Associates	\$11,050.00
Compo Financial Services, Inc.	\$ 500.00

18. On the 1979 return, the petitioners claimed an investment credit with respect to Compo in the amount of \$8,023.00.

19. On March 7, 1983 the petitioners timely executed a form 872-A for their taxable year 1979. Respondent executed said Form 872-A on March 15, 1983. A copy of said Form 872-A is attached hereto and marked as Joint Exhibit 6-F.

20. Neither the petitioners nor the respondent filed a Form 872-T with respect to the petitioners' taxable year 1979.

21. By notice of deficiency dated December 4, 1987, the respondent disallowed, *inter alia*, the petitioners' claimed 1979 loss and investment credit attributable to Compo for its taxable period December 26, 1978 through November 30, 1979. The respondent further determined that the petitioner's distributive share of Compo income in 1979 was \$1,418.00, resulting in a total adjustment with respect to Compo in the amount of \$1,918.00. A copy of said notice of deficiency is attached hereto and marked as Joint Exhibit 7-G.

22. The statutory notice of deficiency dated December 4, 1987, was timely sent to the petitioners prior to the expiration of the three-year period for assessment with respect to the petitioners' 1979 return, as duly and timely extended under the agreement referred to in paragraph 19., above.

24. The statutory notice of deficiency dated December 4, 1987, was issued to the petitioners more than three years after the filing of Compo's Form 1120"S" for the

taxable period ended November 30, 1979, for which an extension of the assessment period was not executed by the corporation.

ABRAHAM N. M. SHASHY, JR.
Chief Counsel
Internal REvenue Service

SHELDON B. BUFFERD
Petitioner
P.O. Box 547
Westport, CT 06881

PHYLLIS BUFFERD
Petitioner
109 North Argyle Avenue
Margate, New Jersey 08402

By:

BRADFORD A. JOHNSON
Assistant District Counsel
Tax Court No. JB0034
135 High Street, Rm. 259
Hartford, CT 06103
Tel. No. (203) 240-4253
FTS 244-4253
Dated:

Dated:

UNITED STATES TAX COURT

Docket No. 3970-88
(Caption Omitted in Printing)

SECOND STIPULATION OF FACTS

In accordance with Tax Court Rule 91(a), the below-signed parties agree to this SECOND STIPULATION OF FACTS pursuant to the general terms of this preamble, unless specifically expressed otherwise. All stipulated facts shall be conclusive. All stipulated exhibits shall be considered electronic reproductions of the originals and shall be treated as originals. The truth of assertions within stipulated exhibits may be rebutted or corroborated by additional evidence. Any relevancy objections may be made with respect to all or any part of the stipulation at the time of submission.

25. Sheldon B. Bufferd (hereinafter, the "petitioner" is not liable for an addition to the tax for the taxable years 1975, 1976, 1977, 1978 or 1979 under the provisions of I.R.C. § 6653(a).

26. The petitioner is not liable for an addition to the tax for the taxable years 1975, 1976, 1977, 1978 or 1979 under the provisions of I.R.C. § 6659.

27. The petitioner is liable for the increased rate of interest under I.R.C. § 6621(c) for the taxable years 1975, 1976, 1977, 1978 and 1979.

ABRAHAM N. M. SHASHY, JR.
Chief Counsel
Internal Revenue Service

SHELDON B. BUFFERD
Petitioner
P.O. Box 547
Westport, CT 06881

PHYLLIS BUFFERD
Petitioner
109 North Argyle Avenue
Margate, New Jersey 08402

By:

BRADFORD A. JOHNSON
Assistant District Counsel
Tax Court No. JB0034
135 High Street, Rm. 259
Hartford, CT 06103
Tel. No. (203) 240-4253
(FTS) 244-4253
Dated:

Dated:

EDITOR'S NOTE

THE FOLLOWING PAGES WERE POOR HARD COPY
AT THE TIME OF FILMING. IF AND WHEN A
BETTER COPY CAN BE OBTAINED, A NEW FICHE
WILL BE ISSUED.

Tax Computation

32 Amount from line 31 (adjusted gross income) 48,164

33 If you do not itemize deductions, enter zero 9,355

If you itemize, complete Schedule A (Form 1040) and enter amount from Schedule A, line 41.

Caution: If you have unearned income and can be claimed as a dependent on your parent's return, check here ☐ and see page 12 of the instructions. Also see page 12 of the instructions if:

• You are married filing a separate return & your spouse itemizes deductions, OR

• You file Form 4563, OR

• You are a dual-status alien

34 Subtract line 33 from line 32. Use the amount on line 34 to find your tax from the Tax Tables, or to figure your tax on Schedule TC, Part 1.

Use Schedule TC, Part 1, and the Tax Rate Schedules ONLY if:

• Line 34 is more than \$20,000 (\$40,000 if you checked Filing Status Box 2 or 5), OR

• You have more exemptions than covered in the Tax Table for your filing status, OR

• You use Schedule G or Form 4726 to figure your tax.

Otherwise, you MUST use the Tax Tables to find your tax.

35 Tax. Enter tax here & check if from ☒ Tax tables or ☐ Schedule TC

36 Additional taxes. (See page 12 of instructions.) Enter total and check if from ☐ Form 4970, ☐ Form 4972, ☐ Form 5544, ☐ Form 5405, or ☐ Section 72(m)(5) penalty tax

37 Total. Add lines 35 and 36 8,023

Credits

38 Credit for contributions to candidates for public office 38

39 Credit for the elderly (attach Schedules R&RP) 39

40 Credit for child & dependent care expenses (attach Form 2441) 40

41 Investment credit (attach Form 3468) 41 8,023

42 Foreign tax credit (attach Form 1116) 42

43 Work incentive (WIN) Credit (attach Form 4874) 43

44 Jobs credit (attach Form 5884) 44

45 Residential energy credits (attach Form 5695) 45

46 Total credits. Add lines 38 through 45

47 Balance. Subtract line 46 from line 37 and enter difference (but not less than zero) 8,023

Other Taxes

48 Self-employment tax (attach Schedule SE) 47 NONE

49a Minimum tax. Attach Form 4625 and check here ☐ 48 1,490

49b Alternative minimum tax. Attach Form 6251 and check here ☒ 49a

50 Tax from recomputing prior-year investment credit (attach Form 4255) 49b 1,141

51a Social security (FICA) tax on tip income not reported to employer (attach Form 4137) 50

51b Uncollected employee FICA and RRTA tax on tips (from Form W-2) 51a

52 Tax on an IRA (attach Form 5329) 51b

53 Advance earned income credit payments received (from Form W-2) 52

54 Total. Add lines 47 through 53 53

Payments

55 Total federal income tax withheld 54 2,631

56 1979 estimated tax payments & credit from 1978 return 55

57 Earned income credit. If line 32 is under \$10,000, see page 2 of instructions 56

58 Amount paid with Form 4868 57

59 Excess FICA and RRTA tax withheld (two or more employers) 58

60 Credit for Federal tax on special fuels & oils (attach Form 4136 or 4136-T) 59

61 Regulated Investment Company credit (attach Form 2439) 60

62 Total. Add lines 55 through 61 61

Refund or Balance Due

63 If line 62 is larger than line 54, enter amount OVERPAID 62 NONE

64 Amount of line 63 to be REFUNDED TO YOU 63

65 Amount of line 63 to be credited on 1980 estimated tax 64

66 If line 54 is larger than line 62, enter BALANCE DUE. Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number on check or money order 65 2,631

PLEASE SIGN HERE

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sharon Bufford 4/15/80 Date

Your signature

Sharon Bufford Spouse's signature if filing jointly. BOTH must sign even if only one had income.

Preparer's information

Preparer's signature and date

Firm's name (or your's if self-employed) and address

Check if self-employed ☐

Preparer's social security no.

E.I. No.

ZIP code

Tax**Computation**

(See

Instructions on
page 12

32 Amount from line 31 (adjusted gross income)

33 If you do not itemize deductions, enter zero

If you itemize, complete Schedule A (Form 1040) and enter amount from Schedule A, line 41

Caution: If you have unearned income and can be claimed as a dependent on your parent's return, check here ☐ and see page 12 of the instructions. Also see page 12 of the instructions if:

- You are married filing a separate return & your spouse itemizes deductions. OR
- You file Form 4563. OR
- You are a dual-status alien

34 Subtract line 33 from line 32. Use the amount on line 34 to find your tax from the Tax Tables, or to figure your tax on Schedule TC, Part 1

Use Schedule TC, Part 1, and the Tax Rate Schedules ONLY if:

- Line 34 is more than \$20,000 (\$40,000 if you checked Filing Status Box 2 or 5), OR
- You have more exemptions than covered in the Tax Table for your filing status, OR
- You use Schedule G or Form 4726 to figure your tax

Otherwise, you MUST use the Tax Tables to find your tax.

35 Tax. Enter tax here & check if from ☒ Tax tables or ☐ Schedule TC36 Additional taxes. (See page 12 of instructions) Enter total and check if from ☐ Form 4970, ☐ Form 4972, ☐ Form 5544, ☐ Form 5405, or ☐ Section 72(m)(5) penalty tax

37 Total. Add lines 35 and 36

Credits

38 Credit for contributions to candidates for public office

39 Credit for the elderly (attach Schedules R&RP)

40 Credit for child & dependent care expenses (attach Form 2441)

41 Investment credit (attach Form 3468)

42 Foreign tax credit (attach Form 1116)

43 Work incentive (WIN) Credit (attach Form 4874)

44 Jobs credit (attach Form 5884)

45 Residential energy credits (attach Form 5695)

46 Total credits. Add lines 38 through 45

47 Balance. Subtract line 46 from line 37 and enter difference (but not less than zero)

48 Self-employment tax (attach Schedule SE)

49a Minimum tax. Attach Form 4625 and check here ☐49b Alternative minimum tax. Attach Form 6251 and check here ☒

50 Tax from recomputing prior-year investment credit (attach Form 4255)

51a Social security (FICA) tax on tip income not reported to employer (attach Form 4137)

51b Uncollected employee FICA and RRTA tax on tips (from Form W-2)

52 Tax on an IRA (attach Form 5329)

53 Advance earned income credit payments received (from Form W-2)

54 Total. Add lines 47 through 53

55 Total Federal income tax withheld

56 1979 estimated tax payments & credit from 1978 return

57 Earned income credit. If line 32 is under \$10,000, see

page 2 of instructions

58 Amount paid with Form 4868

59 Excess FICA and RRTA tax withheld (two or more employers)

60 Credit for Federal tax on special fuels & oils (attach

Form 4136 or 4136-T)

61 Regulated Investment Company credit (attach Form 2439)

62 Total. Add lines 55 through 61

63 If line 62 is larger than line 54, enter amount OVERPAID

64 Amount of line 63 to be REFUNDED TO YOU

65 Amount of line 63 to be credited on 1980 estimated tax

66 If line 54 is larger than line 62, enter **BALANCE DUE**. Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number on check or money order(Check ☒ If Form 2210 (2210F) is attached. See page 15 of instructions) \$ 61**Refund****or****Balance****Due**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sheldon B. Bufford
Your signature

4/15/80

Date

Preparer's

signature
and date

Firm's name (or your's
if self-employed)
and address

Check if
self em-
ployed ☐

Preparer's social security no.

E.I. No. ☐ZIP code ☐

1		2 Employer's State number	
3 Employer's name, address, and ZIP code Compo Financial Services, Ltd 21 Charles Street Westport, CT 06330			
8 Employee's social security number 049-32-7903		9 Federal income tax withheld 0	
13 Employee's name (first, middle, last) Sheldon B. Bufferd, 11 Oak Lane Weston, CT 06333			
4		Correction <input type="checkbox"/>	
5 Employer's identification number 06-0993172		6 Advance EIC payment	
7		11 FICA tax withheld 275.35	
12 Total FICA wages 4,500.00		16 FICA tips	
15		19 State wages, tips, etc.	
20 Name of state		22 Local wages, tips, etc.	
23 Name of locality			
Copy B To be filed with employee's FEDERAL tax return This information is being furnished to the Internal Revenue Service.			
17 Employee's address and ZIP code			

Form **W-2 Wage and Tax Statement 1979**

Department of the Treasury—Internal Revenue Service

SCHEDULE A

(Form 1040)

Department of the Treasury
Internal Revenue ServiceITEMIZED DEDUCTIONS
Attach to Form 1040

1979

08

Name(s) as shown on Form 1040

SHELDON B & PHYLLIS BUFFERD

Your social security number

049-32-7803

Medical and Dental Expenses

1 One-half (but not more than \$150) of insurance premiums for medical care. (Be sure to include in line 10 below) ▶

2 Medicine and drugs

3 Enter 1% of line 31, Form 1040

4 Subtract line 3 from line 2

5 Enter balance of insurance premiums

6 Enter other medical and dental expenses:

a) Doctors, dentists, nurses, etc.

b) Hospitals

c) Other (itemize): ▶

Contributions

21 a) Cash contributions with receipts

b) Other cash contributions. List below ▶

MISC. CHARITIES

22 Other than cash SEE STATEMENT

23 Carryover from prior years

24 TOTAL (add lines 21a through 23) ▶

Casualty or Theft Loss

25 Loss before insurance reimbursement

26 Insurance reimbursement

27 Subtract line 26 from line 25

28 Enter \$100 or amount on line 27

29 TOTAL (subtract line 28 from line 27) ▶

Miscellaneous Deductions

30 Union dues

31 Other (itemize): ▶

11 State and local income

12 Real estate

13 General sales (see sales tax tables)

14 Personal property

15 Other (itemize) ▶

16 TOTAL TAXES (add lines 11 through 15) ▶

Interest Expense

17 Home mortgage

18 Credit and charge cards

19 Other (itemize) ▶

O. NORWALK SAVINGS

ORD. MOTOR CREDIT CORP

INTERNAL REVENUE SERVICE

20 TOTAL (add lines 17 through 19)

32 TOTAL (add lines 30 and 31) ▶

39 Total deductions

40 If you checked Form 1040, Filing Status box:

2 or 5, enter \$3,400

1 or 4, enter \$2,300

3, enter \$1,700

41 Subtract line 40 from line 39. Enter here

and on Form 1040, line 33. (If line 40

is more than line 39, see the instructions

SCHEDULE C
 (Form 1040)

 Department of the Treasury
 Internal Revenue Service

PROFIT OR LOSS FROM BUSINESS OR PROFESSION

1979

 ▶ Partnerships, joint ventures, etc., must file Form 1065.
 (Sole Proprietorship)

▶ Attach to Form 1040

09

Name of proprietor SHELDON B		Name of proprietor BUFFERD		Social security number of proprietor 049-32-7803
A Main business activity (see instructions) ▶ SERVICE				
B Business name ▶ SHELDON B BUFFERD, CPA				
C Employer identification number				
D Business address (number and street) ▶ 21 CHARLES ST.				
City, State and Zip Code ▶ WESTPORT, CT 06880				
E Accounting method:	(1) <input checked="" type="checkbox"/> Cash	(2) <input type="checkbox"/> Accrual	(3) <input type="checkbox"/> Other (specify) ▶	C
F Method(s) used to value closing inventory:				
(1) <input type="checkbox"/> Cost	(2) <input type="checkbox"/> Lower of cost or market	(3) <input type="checkbox"/> Other (if other, attach explanation)	Yes	No
G Was there any major change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation.				
H Did you deduct expenses for an office in your home?				
I Did you elect to claim amortization (under section 191) or depreciation (under section 167(a)) for a rehabilitated certified historic structure (see instructions)?				
(Amortizable basis (see instructions) ▶)				

Part I Income

1 a Gross receipts or sales	1a	135,925	1c	135,925
b Returns and allowances	1b		2	
c Balance (subtract line 1b from line 1a)			3	135,925
2 Cost of goods sold and/or operations (Schedule C-1, line 8)			4	2,325
3 Gross profit (subtract line 2 from line 1c)			5	138,250
4 Other income (attach schedule)				
5 Total income (add lines 3 and 4)				

Part II Deductions

6 Advertising		31 a Wages	48,818
7 Amortization		b Jobs credit	
8 Bad debts from sales or services		c WIN credit	
9 Bank charges		d Total credits	
10 Car and truck expenses	2,073	e Subtract line 31d from 31a	48,818
11 Commissions		32 Other expenses (specify):	
12 Depletion		a PAYROLL TAXES	3,782
13 Depreciation (explain in Sched. C-2)	1,268	b CONTRACT SERVICES	5,565
14 Dues and publications		c STAFF TRAVEL, TOLLS & PKNG	3,275
15 Employee benefit programs	264	d MEETINGS & ENTERTAINMENT	1,325
16 Freight (not included on Sched C-1)		e REGISTRATIONS, DUES &	1,320
17 Insurance	650	f PROFESSIONAL DEVELOPMENT	100
18 Interest on business indebtedness	384	g MISCELLANEOUS EXPENSE	
19 Laundry and cleaning			
20 Legal and professional services	4,982		
21 Office supplies			
22 Pension and profit-sharing plans			
23 Postage			
24 Rent on business property	7,549		
25 Repairs			
26 Supplies (not included on Sched C-1)	2,356		
27 Taxes			
28 Telephone			
29 Travel and entertainment			
30 Utilities			
33 Total deductions (add amounts in columns for lines 6 through 32s)		33	83,747
34 Net profit or (loss) (subtract line 33 from line 5). If a profit, enter on Form 1040, line 13, and on Schedule SE Part II, line 5a (or Form 1041, line 6) if a loss, go on to line 35		34	54,503
35 If you have a loss, do you have amounts for which you are not "at risk" in this business (see instructions)? <input type="checkbox"/> Yes <input type="checkbox"/> No			

SCHEDULE C-1. - Cost of Goods Sold and/or Operations

1 Inventory at beginning of year (if different from last year's closing inventory, attach explanation).

2a Purchases

b Cost of items withdrawn for personal use

c Balance (subtract line 2b from line 2a)

3 Cost of labor (do not include salary paid to yourself)

4 Materials and supplies

5 Other costs (attach schedule)

6 Add lines 1, 2c and 3 through 5

7 Inventory at end of year

8 Cost of goods sold and/or operations (subtract line 7 from 6). Enter here and on Part II, line 2

SCHEDULE C-2. - Depreciation (See Schedule C instructions for line 13)

If you need more space, please use Form 4562.

Depreciation of property	Date acquired	Cost or other basis	Depreciation allowed or allowable in prior years	Method of computing depreciation	Life or term	Depreciation for this year
1 Total additional first-year depreciation (do not include items listed below)						
2 Other depreciation:						
Buildings						
Furniture and fixtures						
Transportation equipment						
Machinery and other equipment						
Other (Specify)						
SEE STATEMENT		7,358				1,268
3 Totals		7,358			3	1,268
4 Depreciation claimed in Schedule C-1					4	
5 Balance (subtract line 4 from line 3). Enter here and on Part II, line 13					5	1,268

SCHEDULE C-3. - Expense Account Information (See Schedule C instructions for Schedule C-3)

Enter information for yourself and your five highest paid employees in determining the five highest paid employees add expense account allowances to the salaries and wages received; you don't have to provide the information for an employee for whom the combined amount is less than \$25,000 or for yourself if your expense account allowance plus line 3d, page 1, is less than \$25,000.

Name	Expense account	Salaries and wages
Owner		
1		
2		
3		
4		
5		

Did you claim a deduction for expenses connected with:

A Entertainment facility (boat, resort, ranch, etc.)?

B Living accommodations (except employees' on business)?

C Conventions or meetings you or your employees attended outside the U.S. or its possessions? (See instructions)

D Employees' families at conventions or meetings?

If "Yes", were any of these conventions or meetings outside the U.S. or its possessions? (See page 26 of instructions)

E Vacations for employees or their families not reported on Form W-2?

Yes

N

SCHEDULE E
(Form 1040)

SUPPLEMENTAL INCOME SCHEDULE

1979

Department of the Treasury
Internal Revenue Service▶ Attach to Form 1040. ▶ See instructions for Schedule E (Form 1040)
(From pensions & annuities, rents & royalties, partnerships, estates & trusts, etc.)

13

Name(s) as shown on Form 1040

SHELDON B & PHYLLIS BUFFORD

Your social security number
049-32-7803**Part I Pension and Annuity Income.**

If fully taxable, do not complete this part. Enter amount on Form 1040, line 17.

For one pension or annuity not fully taxable, complete this part. If you have more than one pension or annuity that is not fully taxable, attach a separate sheet listing each one with the appropriate data and enter combined total of taxable parts on line 4.

1a Did you and your employer contribute to the pension or annuity?

b If "Yes," do you expect to get back your contribution within 3 years from the date you receive the first payment?

c If "Yes," show: Your contribution ▶ \$

2 Amount received this year

3 Amount on line 2 that is not taxable

4 Taxable part (subtract line 3 from line 2). Enter here and include in line 18 below

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>
Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

d Contribution received in prior years

1d

2

3

4

Part II Rent and Royalty Income or Loss. If you need more space, attach a separate sheet.

5a Have you claimed expenses connected with your vacation home or other dwelling unit rented to others (see instructions)?

b If "Yes," did you or any of your family occupy the vacation home or other dwelling unit for over 14 days in the tax year?

5a Did you elect to claim amortization under section 191 or depreciation under section 167(e) for a rehabilitated certified historic structure (see instructions)?

b Amortization basis (see instructions) ▶

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>
Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>
Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>
Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

(a) Property code (describe in Part VI)	(b) Total amount of rents	(c) Total amount of royalties	(d) Depreciation (ex- plan in Part VI) or depletion (at- tach computation)	(e) Other expenses (ex-plain in Part VII)	(f) Loss	(g) Income
Property A						
Property B						
Property C						
Property D						
Property E						
7 Amounts from Form 4835						
8 Totals						

9 Total rent and royalty income or (loss). Combine amounts in columns (f) and (g), line 8. Enter here and include in line 18 below

Part III Income or Losses from --

(a) Name	(b) Employer identification number	(c) Loss	(d) Income
SEE STATEMENT			
10 Add amounts in columns (c) and (d) and enter here	10	11,050	
11 Combine amounts in columns (c) and (d), line 10, and enter net income or (loss)	11		-11,050
12 Additional first-year depreciation	12		

13 Total partnership income or (loss). Combine lines 11 and 12. Enter here and include in line 18 below

13 -11,050

Partnerships

Estates or Trusts

14 Add amounts in columns (c) and (d) and enter here

15 Total estate or trust income or (loss). Combine amounts in columns (c) and (d), line 14. Enter here and include in line 18 below

SEE STATEMENT

Small Business Corporations

16 Add amounts in columns (c) and (d) and enter here

17 Total small business corporation income or (loss). Combine amounts in columns (c) and (d), line 16. Enter here and include in line 18 below

17 -500

Part IV

18 TOTAL income or (loss). Combine lines 4, 9, 13, 15, and 17. Enter here and on Form 1040, line 18

18 -11,550

19 Enter your share of gross farming and fishing income applicable to Parts II and III

19

E

SCHEDULE SE
 (Form 1040)
 Department of the Treasury
 Internal Revenue Service

COMPUTATION OF SOCIAL SECURITY SELF-EMPLOYMENT TAX

 ▶ See Instructions for Schedule SE (Form 1040)
 ▶ Attach to Form 1040.

14

NAME OF SELF-EMPLOYED PERSON (AS SHOWN ON SOCIAL SECURITY CARD)	Social security number of self-employed person ▶
SHELDON B BUFFERD	049-32-7803

Part I Computation of Net Earnings from FARM Self-Employment

REGULAR METHOD

1 Net profit or (loss) from:

a Schedule F

b Farm partnerships

2 Net earnings from farm self-employment (add lines 1a and b)

FARM OPTIONAL METHOD

3 If gross profits from farming are:

a Not more than \$2,400, enter two-thirds of the gross profits

b More than \$2,400 and the net farm profit is less than \$1,600. Enter \$1,600

4 Enter here and on line 12a, the amount on line 2, or line 3 if you elect the farm optional method

Part II Computation of Net Earnings from NONFARM Self-Employment

REGULAR METHOD

5 Net profit or (loss) from:

a Schedule C (Form 1040)

b Partnerships, joint ventures, etc. (other than farming)

c Service as a minister, member of a religious order, or a Christian Science practitioner. (Include rental value of parsonage or rental allowance furnished.) If you filed Form 4361 and have not revoked that exemption, check here ☐ and enter zero on this line

d Service with a foreign government or international organization

e Other

6 Total (add lines 5a through e)

7 Enter adjustments ▶

8 Adjusted net earnings or (loss) from nonfarm self-employment (line 6, as adjusted by line 7)

Note: If line 8 is \$1,600 or more OR if you do not elect to use the Nonfarm Optional Method, skip lines 9 through 11 and enter amount from line 8 on line 12b, Part III.

NONFARM OPTIONAL METHOD

9 a Maximum amount reportable, under both optional methods combined (farm and nonfarm)

b Enter amount from line 3. (If you did elect to use the farm optional method, enter zero)

c Balance (subtract line 9b from line 9a)

10 Enter two-thirds of gross nonfarm profits or \$1,600, whichever is smaller

11 Enter here and on line 12b, the amount on line 9c or line 10, whichever is smaller

Part III Computation of Social Security Self-Employment Tax

12 Net earnings or (loss):

a From farming (from line 4)

b From nonfarm (from line 8, or 11 if you elect to use the Nonfarm Optional Method)

13 Total net earnings or (loss) from self-employment reported on line 12a and 12b. (If line 13 is less than \$400, you are not subject to self-employment tax. Do not fill in rest of schedule)

14 The largest amount of combined wages and self-employment earnings subject to social security or railroad retirement taxes for 1979 is

15 a Total "FICA" wages (from Forms W-2) and "RRTA" compensation

b Unreported tips subject to FICA tax from Form 4137, line 9 or to RRTA

c Total of lines 15a and b

16 Balance (subtract line 15c from line 14)

17 Self-employment income--line 13 or 16, whichever is smaller

18 Self-employment tax. (If line 17 is \$22,900, enter \$1855; if less, multiply the amount on line 17 by .081.) Enter here and on Form 1040, line 48

Form 3468

Department of the Treasury
Internal Revenue Service

COMPUTATION OF INVESTMENT CREDIT

▶ Attach to your tax return.

1979
22

Name

Identifying number as shown on page 1
of your tax return

SHELDON B & PHYLLIS BUFFERD

049-32-7803

Check the applicable box(es) below to elect the provisions of the specified code section(s):

- A The corporation elects the basic or basic and matching ESOP percentage under section 48(n)(1) ☐
- B I elect to increase my qualified investment to 100% for certain commuter highway vehicles under section 46(c)(6) ☐
- C I elect to increase my qualified investment under section 46(d) by all qualified progress expenditures made in the tax year and all subsequent years ☐

1 Use the format below to list your qualified investment in new or used property acquired or constructed and placed in service during the tax year. Also list (a) qualified progress expenditures made during the tax year and certain prior tax years and (b) qualified rehabilitation expenditures for the year. See the instructions for line 1(a) through 1(j).

If you are claiming 100% investment credit on certain ships, check this block ☐. See instruction K for details.
Note: Include your share of investment in property made by a partnership, estate, trust, small business corporation, or lessor.

Type of property	Line	(1) Life years	(2) Cost or basis (See instruction G)	(3) Applicable percentage	(4) Qualified investment (Column 2 x column 3)
New property	(a)	3 or more but less than 5		33 1/3	
	(b)	5 or more but less than 7		66 2/3	
	(c)	7 or more	204,000	100	204,000
Commuter highway vehicle	(d)	3 or more		100	
Qualified progress expenditures	(e)	7 or more		20	
	(f)	7 or more		100	
	(g)	3 or more but less than 5		33 1/3	
	(h)	5 or more but less than 7		66 2/3	
	(i)	7 or more	372	100	372
Used property (See instructions for dollar limitation)	(j)	3 or more		100	
Commuter highway vehicle					204,372
					204,372

2 Qualified investment--Add lines 1(a) through 1(j) (see instruction M for special limits)

3 10% of line 2

4 7% (4% for public utility property) of certain property (see instruction Q)

5 Corporations electing the basic or basic and matching ESOP percentage for contributions to ESOPs--

Check election box A above (see instruction 1 and instruction for line 5)

a) Basic 1% credit--Enter 1% of line 2

b) Matching credit (not more than 0.5%)--Enter allowable percentage adjusted line 2

6 Patron's regular investment credit--Enter credit allocated from cooperative

7 Total--Add lines 3 through 6

8 Carryover of unused credit(s)

9 Carryback of unused credit(s)

10 Tentative regular investment credit--Add lines 7, 8, and 9

Tax Liability Limitations

11 (a) Individuals -- Enter amount from Form 1040, line 37, page 2

(b) Estates and trusts--Enter amount from Form 1041, line 27, page 1

(c) Corporations--Enter amount from Schedule J (Form 1120), line 3, page 3

12 (a) Credit for the elderly (individuals only)

(b) Foreign tax credit

(c) Tax on lump-sum distribution from Form 4972 or Form 5544

(d) Possessions corporation tax credit (corporations only)

(e) Section 72(m)(5) penalty tax (individuals only)

13 Total--Add lines 12(a) through (e)

14 Subtract line 13 from line 11

15 (a) Enter smaller of line 14 or \$25,000. See instruction M for special limits. (Married persons filing separately, controlled corporate groups, estates, and trusts, see instruction for line 15).

(b) If line 14 is more than line 15(a) and you are a 1979 calendar year taxpayer, enter 50% of the excess (if your tax year ends in 1980, enter 70% of the excess). (Public utilities, railroads, and airlines, see instruction J.)

16 Regular investment credit limitation--Add lines 15(a) and (b)

CP-609

(Continue computation on back.)

Form 3468 (1979)

17 Allowed regular investment credit--Enter smaller of line 10 or line 16

Note: If line 10 exceeds line 16, the excess is an unused regular investment credit. See instruction F.

18 Nonrefundable business energy investment credit limitation--Subtract line 17 from line 14

19 Enter nonrefundable business energy investment credit from line 8 of Schedule B (Form 3468)

20 Allowed nonrefundable business energy investment credit--Enter smaller of line 18 or line 19

Note: If line 19 exceeds line 18, the excess is an unused nonrefundable business energy investment credit. See instruction F.

2: Total allowed regular investment credit and nonrefundable business energy investment credit—Add lines 17 and 20. Enter here and on Form 1040, line 41: Schedule J (Form 1120), line 4(b), page 3; or the appropriate line on other returns.

Schedule A If any part of your investment in line 1 or 4 above was made by a partnership, estate, trust, small business corporation, or lessor, complete the following statement and identify property qualifying for the 7% or 10% investment credit.

[illegible]

If property is disposed of prior to the life years used in computing the investment credit see instruction E.

Form 6251

ALTERNATIVE MINIMUM TAX COMPUTATION

1979

Department of the Treasury
Internal Revenue Service

▶ Attach to Forms 1040, 1041 or 990-T (Trust).

30

(Name(s) as shown on tax return)

SHELDON B & PHYLLIS BUFFORD

Identifying number

049-32-7803

1	Adjusted gross income from Form 1040, line 32 (estates and trusts--see instructions)		1	48,164
2	Deductions (applies to individuals only):			
a	Enter amount from Form 1040, line 33	2a	9,355	
b	On your 1979 Form 1040, if you checked Filing Status box, $\left[\begin{array}{l} 2 \text{ or } 5 \text{ enter } \$3,400 \\ 1 \text{ or } 4 \text{ enter } \$2,300 \\ 3 \text{ enter } \$1,700 \end{array} \right]$	2b	3,400	
c	Multiply \$1,000 by the total number of exemptions on Form 1040, line 7	2c	4,000	
d	Add lines 2a through 2c (estates and trusts, enter zero)	2d	16,755	
3	Subtract line 2d from line 1	3	31,409	
4	Tax preference items:			
a	Adjusted itemized deductions	4a		
b	Capital gain deduction	4b		
c	Add lines 4a and 4b	4c		
5	Alternative minimum taxable income (add lines 3 and 4c)	5	31,409	
6	Enter \$20,000 (\$10,000 if married filing separately, or an estate or trust)	6	20,000	
7	Subtract line 6 from line 5. If zero or less, do not complete the rest of this form	7	11,409	
8	Enter the smaller of line 7 or \$40,000 (\$20,000 if married filing separately or an estate or trust)	8	11,409	
9	Subtract line 8 from line 7	9		
10	Enter the smaller of line 9 or \$40,000 (\$20,000 if married filing separately or an estate or trust)	10		
11	Subtract line 10 from line 9	11		
12	Enter 10% of line 8	12	1,141	
13	Enter 20% of line 10	13		
14	Enter 25% of line 11	14		
15	Add lines 12, 13 and 14	15	1,141	
16	Amount from Form 1040, line 47* (estates and trusts--see instructions)	16		
17	Minimum tax from Form 1040, line 49a (estates and trusts--see instructions)	17		
18	Tax from recomputing prior-year investment credit (from Form 1040, line 50) (estates and trusts--see instructions)	18		
19	Tax from recomputing prior-year work incentive (WIN) credit	19		
20	Add lines 16 through 19	20		
21	Alternative minimum tax (subtract line 20 from line 15). If zero or less, do not complete the rest of this form	21	1,141	
22	Foreign tax credit (see instructions)	22		
23	Subtract line 22 from line 21. Enter here and on Form 1040, line 49b (estates and trusts--see instructions)	23	1,141	

*Do not include any tax from Form 4970, Form 4972, Form 5544, or any penalty tax under section 72(m)(5).

STATEMENT SUPPORTING SCHEDULE E -

INCOME OR LOSS FROM PARTNERSHIP

NAME OF PARTNERSHIP

EMP ID NO ADDL GROSS FM
1ST YR OR FISH
DEPCN INC

LOSS INCOME

PRINTER ASSOCIATES
50 CENTRAL SQ. KEENE, NH

02-0343801

11,050

TOTALS

11,050

32

INCOME OR LOSS FROM SMALL BUSINESS CORPS

NAME OF SMALL BUSINESS CORP

EMP ID NO
COMPO FINANCIAL SERVICES, LTD 06-0993172
21 CHARLES ST WESTPORT, CTLOSS INCOME
500

TOTALS

500

STATEMENT SUPPORTING SCHEDULE A - CONTRIBUTIONS
NON-CASH CONTRIBUTION-LINE 22

50 PERCENT CONTRIBUTIONS

CLOTHING TO GOODWILL IND.

AT EST F.M.V. (15PCT OF COST

245.

TOTAL

245.

32

049-32-7803
SOC. SEC. NUMBERS. BUFFERD
TAXPAYER'S NAME

DEPRECIATION STATEMENT

2786 60004 - 1554 FED

SCHEDULE C-1

SHELDON B BUFFERD, CPA

(PAGE NO.01)

1979

YEAR

N = NEW
U = USED

DESCRIPTION OF PROPERTY	DATE ACQUIRED	METHOD OF DEPREC.	LIFE	COST OR OTHER BASIS	SALVAGE VALUE	ADJUSTMENT TO BASIS		SUSPENSE	DEPRECIATION THIS YEAR	TENTATIVE INVESTMENT CREDIT
						PRIOR ACCUM DEPRECIATION	20% ADDITIONAL FIRST YEAR BONUS			
AUTOMOBILE	01/06/77	SL	04 YRS	4,750	300	2000		M	1,000	
PERSONAL PORTION INCLUDED THEREIN	01/06/77	SL	04 YRS	-450					0	
OFFICE FURNITURE & EQUIPMENT	00/00/74	SL	10 YRS	850		382		M	85	
OFFICE FURNITURE & EQUIPMENT	00/00/74	SL	05 YRS	150		135		M	15	
OFFICE FURNITURE & EQUIPMENT	00/00/78	SL	05 YRS	320		48		M	64	
OFFICE FURNITURE & EQUIPMENT	00/00/78	SL	10 YRS	340		8		M	34	
OFFICE FURNITURE & EQUIPMENT	00/00/79	SL	10 YRS	372				M	60	37
LEASEHOLD IMPROVEMENTS	00/00/79	SL	04 YRS	1,026				M	64	
TOTALS				7,358		2,573			1,268	37
TOTAL DEPRECIATION									1,268	

P - PREFERENCE ITEM FOR MINIMUM/MAXIMUM TAX
 F - FOR FEDERAL PURPOSE ONLY
 S - FOR STATE PURPOSES ONLY
 M - DEPRECIATION NOT COMPUTER CALCULATED
 INV CR - INVESTMENT CREDIT TAKEN IN PRIOR YEARS

(1) METHOD OF DEPRECIATION CHANGED TO SL
 PRIOR YEAR DB. DEPREC. INCLUDED IN SALVAGE

ADD 20% ADDITIONAL DEPRECIATION ON
 ITEMS PURCHASED THIS YEAR (DENOTED BY *) -

TOTAL DEPRECIATION

1,268

Statement Supporting Form 2210 Penalty Calculation

INSTALL DUE DATE	AMOUNT OF UNDERPMT	AMOUNT PAID	DATE PD. OR 4/15	NO.OF DAYS TO 1/31 4/15	6-PCT	PENALTY 12-PCT
4/15/79	298		04/15/80	291 75	14	7
		TOTAL PERIOD		291 75	14	7
6/15/79	298		04/15/80	230 75	11	7
		TOTAL PERIOD		230 75	11	7
						36
9/15/79	298		04/15/80	138 75	7	7
		TOTAL PERIOD		138 75	7	7
1/15/80	298		04/15/80	16 75	1	7
		TOTAL PERIOD		16 75	1	7
		TOTAL PENALTY			61	

2-C

Form 2553

(Rev. May 1975)
Department of the Treasury
Internal Revenue Service

Election by a Small Business Corporation

(As to taxable status under Subchapter S of the Internal Revenue Code)

File in
duplicate

NOTE—This election under section 1372(a) (with the consent of all your stockholders) to be treated as an "electing small business corporation" for income tax purposes may be made only if the corporation meets all six of the requirements stated in instruction A.

Name of corporation.

COMPO FINANCIAL SERVICES, LTD

Number and Street

21 Charles Street

City or town, State and ZIP code

WESTPORT, CONN.

Employer identification number
(see instr. L)

PENDING

06-6942172

12-26-78

Principal business activity (see instr. E)

FINANCIAL MANAGEMENT

Election is to be effective for the taxable year beginning (Mo., day, year)

DECEMBER 26, 1978

Number of shares issued and outstanding

900

Is the corporation the outgrowth or continuation of any form of predecessor? ☐ Yes ☒ No. If "Yes," state name of predecessor, type of organization, and period during which it was in existence.

Date and place of incorporation

12/26/78, Conn.

If this election is effective for the first taxable year the corporation is in existence, submit the following information:

Date corporation first had shareholders	Date corporation first had assets	Date corporation began doing business	Annual return will be filed for taxable year ending (Month)
DECEMBER 26, 1978	DECEMBER 26, 1978	DECEMBER 26, 1978	NOVEMBER

Name and address (including ZIP code) of each shareholder

- 1 EMIL A. REISNER
11 YATKEE HILL RD., WESTPORT, CT 06880
- 2 SHELDON B. BUFFORD
11 Oak Lane, Weston, Ct. 06883

Stock

No. of shares	Date(s) acquired (see instr. D)
---------------	------------------------------------

450

12/26/78

450

12/26/78

Social Security Number

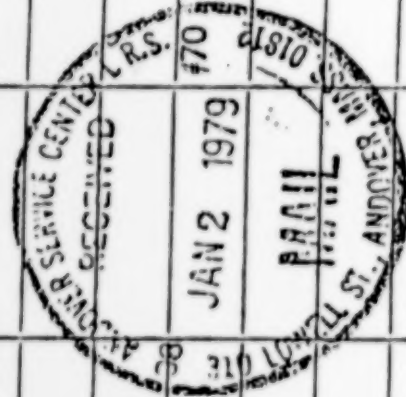
285-24-7953

049-32-7803

Internal Revenue Service Center where individual return is filed

ANDOVER, MASS.

ANDOVER, MASS.



NOTE.—For this election to be valid, the consent of each stockholder must accompany this form or be shown below. See instruction D. Under penalties of perjury, I declare that I have examined this election, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete.

Signature and Title of Officer

Date

19

Shareholders' statement of consent (May be used in lieu of attachments—see instruction D)

We the undersigned shareholders consent to the election of the above corporation to be treated as an "electing small business corporation" under section 1372(a).

Signature of shareholders and date

1 Emil A. Reisner 12/25/78 6

2 Sheldon B. Bufford 12/27/78 7

3 8

4 9

Form 1120S
Department of the Treasury
Internal Revenue Service

A Date of election as small
business corporation
12/29/78

B Business code no. (see
page 7 of instructions)
7389

Revised In Accordance with the Revenue Act of 1978 and the Energy Tax Act of 1978
U.S. Small Business Corporation
Income Tax Return for calendar year 1978 or

other tax year beginning Dec. 26 1978, ending Nov. 30 19 79

Use
IRS
label,
Other-
wise,
please
print
or type.

PU 06-0993172 NOV 30 1979 006 N
CORPO FINANCIAL SERVICES LTD
21 CHARLES ST
WESTPORT CT 06880 IRS

1978

C Employer identification no.
(see instruction 5)

06-0993172

D Date incorporated

12/26/78

E Enter total assets from
Schedule L, line 14, col-
umn (D) (see instruction 7)

\$ 280,007.

IMPORTANT—All applicable lines and schedules must be filled in. If the space on the schedules is not sufficient, see instruction N.
Note: If section 455 (deductions limited to amount at risk) applies, see instruction for line 28.

1	Gross receipts or gross sales	Less: Returns and allowances	1	4,000.00
2	Less: Cost of goods sold (Schedule A) or operations (attach schedule)		2	
3	Gross profit		3	4,000
4	(a) Domestic dividends		4(a)	
	(b) Foreign dividends		4(b)	
5	Interest on obligations of the U.S. and U.S. instrumentalities		5	
6	Other interest		6	540
7	Gross rents		7	
8	Gross royalties		8	
9	Gains and losses (attach separate Schedule D (Form 1120S)):			
	(a) Net short term capital gain reduced by any net long-term capital loss		9(a)	
	(b) Net capital gain (if more than \$25,000, see instructions for Part IV of Schedule D (Form 1120S))		9(b)	
	(c) Ordinary gain or (loss) from Form 4797, Part II, line 11 (attach Form 4797)		9(c)	
10	Other income (see instructions—attach schedule)		10	(107,399)
11	TOTAL income—Add lines 3 through 10		11	(102,859)
12	Compensation of officers (Schedule E)		12	
13	(a) Salaries and wages	13(b) Less: Long-term care insurance, Balance	13c	
14	Repairs (see instructions)		14	
15	Bad debts (Schedule F if reserve method is used)		15	
16	Rents		16	
17	Taxes		17	
18	Interest		18	
19	Contributions (not over 5% of line 28 adjusted per instructions—attach schedule)		19	
20	Amortization (attach schedule)		20	134
21	Depreciation from Form 4562 (attach Form 4562)	Less depreciation claimed in Schedule A and elsewhere on return, less depreciation claimed in Schedule A and elsewhere on return, Balance	21	
22	Depletion (attach schedule)		22	
23	Advertising		23	
24	Pension, profit-sharing, etc. plans (see instructions) (enter number of plans)		24	
25	Employee benefit programs (see instructions)		25	
26	Other deductions (attach schedule)		26	
27	TOTAL deductions—Add lines 12 through 26		27	134
28	Taxable income (subtract line 27 from line 11) (see instructions)		28	(102,993.00)
29	Income tax on capital gains (Schedule D (Form 1120S), Part IV)		29	
30	Minimum tax (see instructions—attach Form 4626)		30	
31	Total tax (add lines 29 and 30)		31	None
32	Credits: (a) Tax deposited with Form 7004	32(a)		
	(b) Tax deposited with Form 7005 (attach copy)	32(b)		
	(c) Credit for U.S. tax on special fuels, nonhighway gas, and lubri- cating oil (attach Form 4136)	32(c)		
33	TAX DUE (subtract line 32 from line 31). See instruction G for depositary method of payment		33	
34	OVERPAYMENT (subtract line 31 from line 32)		34	None

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Please Sign Here		Date		Title	
Signature of officer		Date		Title	
Signature of officer		Date		Title	
Paid Preparer's Information		Preparer's signature		Preparer's social security no.	
Firm's name (or yours, if self-employed), address and ZIP code		E.I. No.		Check if self-employed <input type="checkbox"/>	
		Date			

Schedule A Cost of Goods Sold (See instruction 2)

1 Inventory at beginning of year	
2 Merchandise bought for manufacture or sale	
3 Salaries and wages	
4 Other costs (attach schedule)	
5 Total of lines 1 through 4	
6 Less: Inventory at end of year	
7 Cost of goods sold—Enter here and on line 2, page 1	
8 (a) Check valuation method(s) used for total closing inventory:	

☐ Cost☐ Lower of cost or market☐ Other (if "other," attach explanation)(b) Check if this is the first year LIFO inventory method was adopted and used ☐
If checked, attach Form 970.

(c) If the LIFO inventory method was used for this taxable year, enter percentage (or amounts) of closing inventory computed under LIFO

(d) Is the corporation engaged in manufacturing activities? ☐ Yes ☐ NoIf "Yes," are inventories valued under Regulations section 1.471-11 (full absorption accounting method)? ☐ Yes ☐ No(e) Was there any substantial change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☐ No

If "Yes," attach explanation.

Schedule B Compensation of Officers (See instruction 12)

1. Name of officer	2. Social security number	3. Time devoted to business	4. Percentage of corporation stock owned	5. Amount of compensation	6. Expense account allowances
Emil A. Reisner	285-24-7963	As Req.		0	
Sheldon B. Bufferd	049-32-7803	As Req.		0	
Total compensation of officers—Enter here and on line 12, page 1				None	

Schedule C Bad Debts—Reserve Method (See instruction 15)

1. Year	2. Trade notes and accounts receivable outstanding at end of year	3. Sales on account	Amount added to reserve		6. Amount charged against reserve	7. Reserve for bad debts at end of year
			4. Current year's provision	5. Recoveries		
1973						
1974						
1975						
1976						
1977						
1978						

Additional Information Required**F** Did you at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) ☒ Yes ☐ No

If "Yes," attach a schedule showing: (1) name, address, and employer identification number; (2) percentage owned; (3) highest amount owed by you to such corporation during the year; and (4) highest amount owed to you by such corporation during the year. (Note: For purposes of F(3) and F(4), "highest amount owed" includes loans and accounts receivable/payable.)

G Taxable income or (loss) from line 28, page 1, Form 1120S for your tax year beginning in:1975 ☐ 1976 ☐ 1977 ☐ 1978 ☐**H** Refer to page 7 of instructions and state the principal:Business activity ☐ SERVICE ☐ Financial, Leasing &**I** Were you a member of a controlled group subject to the provisions of section 1561? ☐ Yes ☒ No**J** Is the corporation engaged in any activity involving oil or gas, movies or video tapes, leasing section 1245 property to others, or farming which resulted in a loss (see instruction for line 28)? ☐ Yes ☒ No

Compo Financial Services, Ltd.

06-0993172

Other Income (loss) - From PartnershipPrinter Associates 02-0343801
50 Central Sq., Keene, NH(107,399)Amortization

Corporation elects to amortize organizational costs in accordance with IR Code:

Organization Costs

731

Amortization - 11/60th's

134

40

Investment Credit Property

Share of Qualified Investment Credit Property from Printer Assoc., a Limited Partnership

2,040,000Other Current AssetsStock Subscriptions Receivable
Notes Receivable

1,000

-137,2501,000137,250Other Investments48 Units - Printer Associates,
equity basis-132,601

Schedule L Balance Sheets

	Beginning of tax year		End of tax year	
	(A) Amount	(B) Total	(C) Amount	(D) Total
Assets				
1 Cash				9559
2 Trade notes and accounts receivable				
(a) Less allowances for bad debts				
3 Inventories				
4 Govt obligations: (a) U.S. and instrumentalities				
(b) State, subdivisions thereof, etc.				
5 Other current assets (attach schedule)	1,000			137,250
6 Loans to shareholder				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				132,601
9 Buildings and other fixed depreciable assets				
(a) Less accumulated depreciation				
10 Depletable assets				
(a) Less accumulated depletion				
11 Land (net of any amortization)			731	
12 Intangible assets (amortizable only)			134	597
(a) Less accumulated amortization				
13 Other assets (attach schedule)				
14 Total assets	1,000			280,007
Liabilities and Shareholders' Equity				
15 Accounts payable				
16 Mises, notes, bonds payable in less than 1 year				135,000
17 Other current liabilities (attach schedule)				
18 Loans from shareholders				
19 Mises, notes, bonds payable in 1 year or more				
20 Other liabilities (attach schedule)				
21 Capital stock	1,000			248,000
22 Paid-in or capital surplus				
23 Retained earnings—appropriated (attach schedule)				
24 Retained earnings—unappropriated				(102,993)
25 Shareholders' undistributed taxable income previously taxed				
26 Less cost of treasury stock				
27 Total liabilities and shareholders' equity	1,000			280,007

Schedule M-1 Reconciliation of Income Per Books With Income Per Return

1 Net income per books	(102,993)	7 Income recorded on books this year not included in this return (itemize)	
2 Federal income tax		(a) Tax-exempt interest \$	
3 Excess of capital losses over capital gains		8 Deductions in this tax return not charged against book income this year (itemize)	
4 Income subject to tax not recorded on books this year (itemize)		(a) Depreciation	
5 Expenses recorded on books this year not deducted in this return (itemize)			
(a) Depreciation			
6 Total of lines 1 through 5	(102,993)	9 Total of lines 7 and 8	
		10 Income (line 28, page 1)—line 6 less line 9	(102,993)

Schedule M-2 Analysis of Unappropriated Retained Earnings Per Books (line 24 above)

1 Balance at beginning of year	0	5 Distributions out of current or accumulated earnings and profits: (a) Cash	
2 Net income per books	(102,993)	(b) Stock	
3 Other increases (itemize)		(c) Property	
		6 Current year's undistributed taxable income or net operating loss (total of lines 8 and 9(a), Schedule K)	(102,993)
		7 Other decreases (itemize)	
4 Total of lines 1, 2, and 3	(102,993)	8 Total of lines 5, 6, and 7	(102,993)
		9 Balance at end of year (line 4 less line 8)	0

SCHEDULE K-1
(Form 1120S)Department of the Treasury
Internal Revenue ServiceShareholder's Share of Undistributed Taxable
Income, etc.—1978For calendar year 1978 or other taxable year
beginning Dec. 26, 1978, ending NOV. 30, 1979
(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)Copy A
File with
Form 1120S**Part I** Income

	(a) Amount	(b) Form 1040 filers enter col. (a) amount as indicated below. Form 1041 filers enter col. (a) amount in corresponding line of that form.
--	------------	---

- 1 Undistributed taxable income—ordinary income or (loss) (33140) Schedule E, Part III
- 2 (a) Undistributed taxable income—net long-term capital gain after tax Schedule D, Part II
- (b) Portion of line 2(a) attributable to transactions after 10-31-78 (after tax) Schedule D, Part II

Part II Losses from Section 465 Activities

- 1 Shareholder's distributive share of losses from section 465 activities (See instructions)

Part III Interest on Investment Indebtedness

- 1(a) Interest on investment indebtedness incurred prior to December 17, 1969
- (b) Interest on investment indebtedness incurred prior to September 11, 1975, but after December 16, 1969
- (c) Interest on investment indebtedness incurred after September 10, 1975
- 2 Net investment income or (loss)
- 3 Excess expenses from "net lease property"
- 4 Net capital gain attributable to investment property

Part IV Items of Tax Preference (See Instructions)

- 1 Accelerated depreciation on: (a) Low income rental housing
- (b) Other real property
- (c) Personal property subject to a lease
- 2 Amortization: (a), (b), (c), (d)
- 3 Reserves for losses on bad debts of financial institutions
- 4 Depletion
- 5 Intangible drilling costs
- 6 Net capital gain (after tax)

Part V Property Eligible for Investment Credit

- Basis of new investment property
- (a) 3 or more but less than 5 years
- (b) 5 or more but less than 7 years
- (c) 7 or more years
- (d) 7 or more years 1974, 1975, 1976, and 1977
- (e) 7 or more years 1978
- (f) 3 or more but less than 5 years
- (g) 5 or more but less than 7 years
- (h) 7 or more years

204,000

Part VI Property Used in Recomputing a Prior Year Investment Credit (Enter in corresponding column of Form 4255)

(1) Description of property (also state whether new or used)	(2) Date placed in service	(3) Cost or basis	(4) Estimated useful life	(5) Applicable percentage	(6) Original qualified investment (column 3 x column 5)	(8) Date item ceased to be investment credit property	(9) Period actually used	(10) Applicable percentage	(11) Qualified investment (column 3 x column 10)
--	----------------------------	-------------------	---------------------------	---------------------------	---	---	--------------------------	----------------------------	--

Part VII Jobs Credits

- 1 New jobs credit
- 2 New jobs credit (combined new jobs credit and targeted jobs credit)

Part VIII Other Information

1. Name and address of shareholder	2. Social security number	3. Stock ownership
------------------------------------	---------------------------	--------------------

Emil A. Reisner
11 Yankee Hill Rd.
Westport, CT 06880

4. Compensation

5. Percentage of time devoted to business

6. Corporation's name, identifying number, and address (including ZIP code)

Compo Financial Services, Ltd.

'06-0993172

21 Charles Street

Westport, CT 06880

NONE

As Req.

SCHEDULE K-1
(Form 1120S)Department of the Treasury
Internal Revenue Service**Shareholder's Share of Undistributed Taxable
Income, etc.—1978**Copy A
File with
Form 1120SBeginning Dec. 26¹ for calendar year 1978 or other taxable year NOV. 30, 1979
(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)**Part I** Income

- 1 Undistributed taxable income—ordinary income or (loss)
- 2 (a) Undistributed taxable income—net long-term capital gain after tax
- (b) Portion of line 2(a) attributable to transactions after 10-31-78 (after tax)

(a) Amount

(33140)

(b) Form 1040 filers enter col. (a)
amount as indicated below. Form
1041 filers enter col. (a) amount in
corresponding line of that form.

Schedule E, Part III

Schedule D, Part II

Schedule D, Part II

Part II Losses from Section 465 Activities

- 1 Shareholder's distributive share of losses from section 465 activities (See instructions)

Part III Interest on Investment Indebtedness

- 1(a) Interest on investment indebtedness incurred prior to December 17, 1969
- (b) Interest on investment indebtedness incurred prior to September 11, 1975, but
after December 16, 1969
- (c) Interest on investment indebtedness incurred after September 10, 1975
- 2 Net investment income or (loss)
- 3 Excess expenses from "net lease property"
- 4 Net capital gain attributable to investment property

Form 4952 line reference

line 1

line 15

line 5

line 2 or 10

line 11 and 19

line 20

Part IV Items of Tax Preference (See Instructions)

- 1 Accelerated depreciation on: (a) Low income rental housing
- (b) Other real property
- (c) Personal property subject to a lease
- 2 Amortization: (a), (b), (c), (d)
- 3 Reserves for losses on bad debts of financial institutions
- 4 Depletion
- 5 Intangible drilling costs
- 6 Net capital gain (after tax)

Form 4625 line reference

line 1(b)(1)

line 1(b)(2)

line 1(c)

line 1(d), (e), (f) and (g)

line 1(h)

line 1(j)

line 1(l)

Part V Property Eligible for Investment Credit

- Basis of new investment property
- (a) 3 or more but less than 5 years
- (b) 5 or more but less than 7 years
- (c) 7 or more years
- (d) 7 or more years 1974, 1975, 1976, and 1977
- (e) 7 or more years 1978
- (f) 3 or more but less than 5 years
- (g) 5 or more but less than 7 years
- (h) 7 or more years

Form 3468 line reference

line 1(a)

line 1(b)

line 1(c)

line 1(d)

line 1(e)

line 1(f)

line 1(g)

line 1(h)

Part VI Property Used in Recomputing a Prior Year Investment Credit (Enter in corresponding column of Form 4255)

(1) Description of property (also state whether new or used)	(2) Date placed in service	(3) Cost or basis	(4) Estimated useful life	(5) Applicable percentage	(6) Original qualified investment (column 3 X column 5)	(8) Date item ceased to be investment credit property	(9) Period actually used	(10) Applicable percentage	(11) Qualified investment (column 3 X column 10)
A									
B									

Part VII Jobs Credits

- 1 New jobs credit
- 2 New jobs credit (combined new jobs credit and targeted jobs credit)

(a) Amount

Line references

Form 5884, line 20

Form 5884-FY, line 27

Part VIII Other Information

4. Compensation	5. Percentage of time devoted to business	1. Name and address of shareholder	2. Social security number	3. Stock ownership	
				Number of shares	Date acquired
		Sheldon B. Bufferd 11 Oak Lane Weston, CT 06883	049-32-7803	450	12-26-78

6. Corporation's name, identifying number, and address (including ZIP code)

Compo Financial Services, Ltd.

21 Charles Street

Westport, CT 06880

06-0993172

None As Req.

SCHEDULE K-1
(Form 1120S)Department of the Treasury
Internal Revenue ServiceShareholder's Share of Undistributed Taxable
Income, etc.—1978

For calendar year 1978 or other taxable year

beginning Dec 26 1978, ending NOV 30 1979
(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)Copy A
File with
Form 1120S**Part I** Income

(b) Form 1040 filers enter col. 1b amount as indicated below. Form 1041 filers enter col. (a) amount in corresponding line of that form.

1 Undistributed taxable income—ordinary income or (loss)	(a) Amount	(b) Form 1040 filers enter col. 1b amount as indicated below. Form 1041 filers enter col. (a) amount in corresponding line of that form.
2 (a) Undistributed taxable income—net long-term capital gain after tax	(10527)	Schedule E, Part III
(b) Portion of line 2(a) attributable to transactions after 10-31-78 (after tax)		Schedule D, Part II
		Schedule D, Part II

Part II Losses from Section 465 Activities

1 Shareholder's distributive share of losses from section 465 activities (see instructions)

Part III Interest on Investment Indebtedness

1(a) Interest on investment indebtedness incurred prior to December 17, 1969	line 15
(b) Interest on investment indebtedness incurred prior to September 11, 1975, but after December 16, 1969	line 5
(c) Interest on investment indebtedness incurred after September 10, 1975	line 2 or 10
2 Net investment income or (loss)	line 11 and 19
3 Excess expenses from "net lease property"	line 20
4 Net capital gain attributable to investment property	Form 4625 line reference

Part IV Items of Tax Preference (See Instructions)

1 Accelerated depreciation on: (a) Low income rental housing	line 1(b)(1)
(b) Other real property	line 1(b)(2)
(c) Personal property subject to a lease	line 1(c)
2 Amortization. (a) (b) (c) (d)	line 1(d), (e), (f) and (g)
3 Reserves for losses on bad debts of financial institutions	line 1(h)
4 Depletion	line 1(i)
5 Intangible drilling costs	line 1(l)
6 Net capital gain (after tax)	Form 3468 line reference

Part V Property Eligible for Investment Credit

Basis of new investment property	(a) 3 or more but less than 5 years	(b) 5 or more but less than 7 years	(c) 7 or more years	(d) 7 or more years 1974, 1975, 1976, and 1977	(e) 7 or more years 1978	(f) 3 or more but less than 5 years	(g) 5 or more but less than 7 years	(h) 7 or more years
Qualified progress expenditures	136,000							
Cost of used investment property								

Part VI Property Used in Recomputing a Prior Year Investment Credit (Enter in corresponding column of Form 4255)

(1) Description of property (also state whether new or used)	(2) Date placed in service	(3) Cost or basis	(4) Estimated useful life	(5) Applicable percentage	(6) Original qualified investment (column 5) x percentage	(8) Date item ceased to be investment credit property	(9) Period actually used	(10) Applicable percentage	(11) Qualified investment (column 3 x column 10)
A									
B									

Part VII Jobs Credits

1 New jobs credit	Form 5884, line 20
2 New jobs credit (combined new jobs credit and targeted jobs credit)	Form 5884-FY, line 27

Part VIII Other Information

1. Name and address of shareholder	2. Social security number	3. Stock ownership
Ogden, Bigelow, Jr.		Period held
25 Hidden Lake Ridge	040-22-0291	Date acquired
Wilton, CT 06897		Date of disposition
		300 6-22-79

4. Compensation 5. Percentage of time devoted to business 6. Corporation's name, identifying number, and address (including ZIP code)

Compo Financial Services, Ltd.
21 Charles Street
Westport, CT 06880

None As Req.

06-0993172

SCHEDULE K-1
(Form 1120S)Department of the Treasury
Internal Revenue ServiceShareholder's Share of Undistributed Taxable
Income, etc.—1978Copy A
File with
Form 1120SFor calendar year 1978 or other taxable year
beginning Dec. 26, 1978, ending NOV. 30, 1979
(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

Part I Income		(a) Amount	(b) Form 1040 filers enter (a), (b) amount as indicated below. Form 1041 filers enter col. (a) amount in corresponding line of that form.
1	Undistributed taxable income—ordinary income or (loss)	(5523)	Schedule E, Part III
2	(a) Undistributed taxable income—net long term capital gain after tax		Schedule D, Part II
	(b) Portion of line 2(a) attributable to transactions after 10-31-78 (after tax)		Schedule D, Part II
Part II Losses from Section 465 Activities			
1	Shareholder's distributive share of losses from section 465 activities (see instructions)		Form 4952 line reference
Part III Interest on Investment Indebtedness			
1(a)	Interest on investment indebtedness incurred prior to December 17, 1969		line 1
(b)	Interest on investment indebtedness incurred prior to September 11, 1975, but after December 16, 1969		line 15
(c)	Interest on investment indebtedness incurred after September 10, 1975		line 5
2	Net investment income or (loss)		line 2 or 10
3	Excess expenses from "net lease property"		line 11 and 19
4	Net capital gain attributable to investment property		line 20
Part IV Items of Tax Preference (See Instructions)			
1	Accelerated depreciation on: (a) Low income rental housing		Form 4625 line reference
(b)	Other real property		line 1(b)(1)
(c)	Personal property subject to a lease		line 1(b)(2)
2	Amortization: (a) (b) (c) (d)		line 1(c)
3	Reserves for losses on bad debts of financial institutions		line 1(d), (e), (f) and (g)
4	Depletion		line 1(h)
5	Intangible drilling costs		line 1(i)
6	Net capital gain (after tax)		line 1(j)
Part V Property Eligible for Investment Credit			
Basis of new investment property	(a) 3 or more but less than 5 years		Form 3468 line reference
	(b) 5 or more but less than 7 years		line 1(a)
Qualified progress expenditures	(c) 7 or more years	136,000	line 1(b)
	(d) 7 or more years 1974, 1975, 1976, and 1977		line 1(c)
Cost of used investment property	(e) 7 or more years 1978		line 1(d)
	(f) 3 or more but less than 5 years		line 1(e)
	(g) 5 or more but less than 7 years		line 1(f)
	(h) 7 or more years		line 1(g)
Part VI Property Used in Recomputing a Prior Year Investment Credit (Enter in corresponding column of Form 4255)			
(1) Description of property (also state whether new or used)	(2) Date placed in service	(3) Cost or basis	(4) Estimated useful life
(5) Applicable percentage	(6) Original qualified investment (column 3 x column 5)	(7) Date item ceased to be investment credit property	(8) Permitted used percentage
(9) Qualified investment (column 3 x column 10)			
Part VII Jobs Credits			
(a) Amount			
Line references			
Form 5884, line 20			
Form 5884-FY, line 27			
Part VIII Other Information			
1 New jobs credit			
2 New jobs credit (combined new jobs credit and targeted jobs credit)			
Part VIII Other Information			
1. Name and address of shareholder	2. Social security number	3. Stock ownership	
Richard U. Bayles 18 Calvin Rd. Weston, CT 06883	435-56-0730	Number of shares 300	Date acquired 9-7-79
4. Compensation	5. Percentage of time devoted to business	6. Corporation's name, identifying number, and address (including ZIP code)	
None	As Req.	Compo Financial Services, Ltd. 21 Charles Street Westport, CT 06880	

Revised in Accordance with the Revenue Act of 1978 and the Energy Tax Act of 1978
**Shareholder's Share of Undistributed Taxable
Income, etc.—1978**

Copy A
File with
Form 1120S

beginning Dec. 26 For calendar year 1978 or other taxable year
(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C) 1979 Nov. 30

Part I Income

- 1 Undistributed taxable income—ordinary income or (loss)
2 (a) Undistributed taxable income—net long-term capital gain after tax
(b) Portion of line 2(a) attributable to transactions after 10-31-78 (after tax)

Part II Losses from Section 465 Activities

- 1 Shareholder's distributive share of losses from section 465 activities (see instructions)

Part III Interest on Investment Indebtedness

- 1 (a) Interest on investment indebtedness incurred prior to December 17, 1969
(b) Interest on investment indebtedness incurred prior to September 11, 1975, but
after December 16, 1969
(c) Interest on investment indebtedness incurred after September 10, 1975
2 Net investment income or (loss)
3 Excess expenses from "net lease property"
4 Net capital gain attributable to investment property

Part IV Items of Tax Preference (See Instructions)

- 1 Accelerated depreciation on: (a) Low income rental housing
(b) Other real property
(c) Personal property subject to a lease
2 Amortization: (a) (b) (c) (d)
3 Reserves for losses on bad debts of financial institutions
4 Depletion
5 Intangible drilling costs
6 Net capital gain (after tax)

Part V Property Eligible for Investment Credit

- Basis of new investment property
(a) 3 or more but less than 5 years
(b) 5 or more but less than 7 years
(c) 7 or more years
(d) 7 or more years 1974, 1975, 1976, and 1977
(e) 7 or more years 1978
(f) 3 or more but less than 5 years
(g) 5 or more but less than 7 years
(h) 7 or more years

Part VI Property Used in Recomputing a Prior Year Investment Credit (Enter in corresponding column of Form 4255)

(1) Description of property (also state whether new or used)	(2) Date placed in service	(3) Cost or basis	(4) Esti- mated useful life	(5) Appli- cable per- centage	(6) Original qualified investment (column 3 of column 5)	(8) Date item ceased to be investment credit property	(9) Period ac- tually used	(10) Appli- cable per- centage	(11) Qualified investment (column 3 of column 10)
A									
B									

Part VII Jobs Credits

- 1 New jobs credit
2 New jobs credit (combined new jobs credit and targeted jobs credit)

Part VIII Other Information

1. Name and address of shareholder	2. Social security number	3. Stock ownership	
		Number of shares	Period held Date acquired Date of expiration
Warren Wilson		300	9-7-79
Union Hill		600	9-10-79
Westport, CT 06880	158-20-6422		

4. Compensation

5. Corporation's name, identifying number, and address (including ZIP code)
Compo Financial Services, Ltd. 06-0993172
21 Charles Street
Westport, CT 06880

NONE As Req.

SCHEDULE K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

Revised in Accordance with the Revenue Act of 1978 and the Energy Tax Act of 1978

**Shareholder's Share of Undistributed Taxable
Income, etc.—1978**

Copy A
File with
Form 1120S

beginning Dec. 26, 1978, or other taxable year ending NOV. 30, 1979
(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

Part I Income

- 1 Undistributed taxable income—ordinary income or (loss)
- 2 (a) Undistributed taxable income—net long term capital gain after tax
- (b) Portion of line 2(a) attributable to transactions after 10-31-78 (after tax)

(a) Amount
(4093)

Part II Losses from Section 465 Activities

- 1 Shareholder's distributive share of losses from section 465 activities (see instructions)

Part III Interest on Investment Indebtedness

- 1(a) Interest on investment indebtedness incurred prior to December 17, 1969
- (b) Interest on investment indebtedness incurred prior to September 11, 1975, but after December 16, 1969
- (c) Interest on investment indebtedness incurred after September 10, 1975
- 2 Net investment income or (loss)
- 3 Excess expenses from "net lease property"
- 4 Net capital gain attributable to investment property

Part IV Items of Tax Preference (See Instructions)

- 1 Accelerated depreciation on: (a) Low income rental housing
- (b) Other real property
- (c) Personal property subject to a lease
- 2 Amortization: (a) (b) (c) (d)
- 3 Reserves for losses on bad debts of financial institutions
- 4 Depletion
- 5 Intangible drilling costs
- 6 Net capital gain (after tax)

Part V Property Eligible for Investment Credit

- Basis of new investment property
- (a) 3 or more but less than 5 years
- (b) 5 or more but less than 7 years
- (c) 7 or more years
- (d) 7 or more years 1974, 1975, 1976, and 1977
- (e) 7 or more years 1978
- (f) 3 or more but less than 5 years
- (g) 5 or more but less than 7 years
- (h) 7 or more years

136,000

Part VI Property Used in Recomputing a Prior Year Investment Credit (Enter in corresponding column of Form 4255)

(1) Description of property (also state whether new or used)	(2) Date placed in service	(3) Cost or basis	(4) Estimated useful life	(5) Appl. cable per.centage	(6) Original investment (column 3 x column 5)	(8) Date item ceased to be investment credit property	(9) Period actually used	(10) Appl. cable per.centage	(11) Qualified investment (column 3 x column 10)
A									
B									

Part VII Jobs Credits

- 1 New jobs credit
- 2 New jobs credit (combined new jobs credit and targeted jobs credit)

Part VIII Other Information

1. Name and address of shareholder	2. Social security number		3. Stock ownership	
	Number of shares	Date acquired	Period held	Date of disposition
Anthony & Daisy Colonnese, ITWRDS 56 Dogwood Drive Easton, CT 06612	300	047-16-6967 049-16-6164		9-29-79

4. Compensation
5. Percentage of time devoted to business
6. Corporation's name, identifying number, and address (including ZIP code)

Compo Financial Services, Ltd. 06-0993172
21 Charles Street
Westport, CT 06880

None As Req.

48

SCHEDULE K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

Revised in Accordance with the Revenue Act of 1978 and the Energy Tax Act of 1978

**Shareholder's Share of Undistributed Taxable
Income, etc.—1978**

beginning Dec. 26 For calendar year 1978 or other taxable year
(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

Copy A
File with
Form 1120S

Part I Income

- 1 Undistributed taxable income—ordinary income or (loss)
2 (a) Undistributed taxable income—net long-term capital gain after tax
(b) Portion of line 2(a) attributable to transactions after 10-31-78 (after tax)

Part II Losses from Section 465 Activities

- 1 Shareholder's distributive share of losses from section 465 activities (see instructions)

Part III Interest on Investment Indebtedness

- 1 (a) Interest on investment indebtedness incurred prior to December 17, 1969
(b) Interest on investment indebtedness incurred prior to September 11, 1975, but
after December 16, 1969
(c) Interest on investment indebtedness incurred after September 10, 1975
2 Net investment income or (loss)
3 Excess expenses from "net lease property"
4 Net capital gain attributable to investment property

Part IV Items of Tax Preference (See Instructions)

- 1 Accelerated depreciation on: (a) Low income rental housing
(b) Other real property
(c) Personal property subject to a lease
2 Amortization: (a), (b), (c), (d)
3 Reserves for losses on bad debts of financial institutions
4 Depletion
5 Intangible drilling costs
6 Net capital gain (after tax)

Part V Property Eligible for Investment Credit

- Basis of new investment property
(a) 3 or more but less than 5 years
(b) 5 or more but less than 7 years
(c) 7 or more years
(d) 7 or more years 1974, 1975, 1976, and 1977
(e) 7 or more years 1978
(f) 3 or more but less than 5 years
(g) 5 or more but less than 7 years
(h) 7 or more years

Part VI Property Used in Recomputing a Prior Year Investment Credit (Enter in corresponding column of Form 4255)

(1) Description of property (also state whether new or used)	(2) Date placed in service	(3) Cost or basis	(4) Esti- mated useful life	(5) Appli- cable per- centage	(6) Original qualified investment (column 3 x column 5)	(8) Date item ceased to be investment credit property	(9) Period fully used	(10) Appli- cable per- centage	(11) Qualified investment (column 3 x column 10)
A									
B									

Part VII Jobs Credits

- 1 New jobs credit
2 New jobs credit (combined new jobs credit and targeted jobs credit)

Part VIII Other Information

1. Name and address of shareholder		2. Social security number		3. Stock ownership									
Arthur L. Matschke 73 Daves Lane Southport, CT 06490		361-20-4812		<table> <tr> <th>Number of shares</th> <th>Date acquired</th> <th>Period held</th> <th>Date of disposition</th> </tr> <tr> <td>900</td> <td>11-30-79</td> <td></td> <td></td> </tr> </table>		Number of shares	Date acquired	Period held	Date of disposition	900	11-30-79		
Number of shares	Date acquired	Period held	Date of disposition										
900	11-30-79												
4. Compensation		5. Percentage of time devoted to business											
None		As Req.											
6. Corporation's name, identifying number, and address (including ZIP code)													
Compo Financial Services, Ltd. 21 Charles Street Westport, CT 06880													

SCHEDULE K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

Revised in Accordance with the Revenue Act of 1978 and the Energy Tax Act of 1978
**Shareholder's Share of Undistributed Taxable
Income, etc.—1978**

Copy A
File with
Form 1120S

beginning Dec. 26 1978, ending Nov. 30 1979
(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

Part I Income

- 1 Undistributed taxable income—ordinary income or (loss)
2 (a) Undistributed taxable income—net long-term capital gain after tax
(b) Portion of line 2(a) attributable to transactions after 10-31-78 (after tax)

Part II Losses from Section 465 Activities

- 1 Shareholder's distributive share of losses from section 465 activities (see instructions)

Part III Interest on Investment Indebtedness

- 1 (a) Interest on investment indebtedness incurred prior to December 17, 1969
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(c) Interest on investment indebtedness incurred after September 10, 1975
2 Net investment income or (loss)
3 Excess expenses from "net lease property"
4 Net capital gain attributable to investment property

Part IV Items of Tax Preference (See Instructions)

- 1 Accelerated depreciation on: (a) Low income rental housing
(b) Other real property
(c) Personal property subject to a lease
2 Amortization: (a), (b), (c), (d)
3 Reserves for losses on bad debts of financial institutions
4 Depletion
5 Intangible drilling costs
6 Net capital gain (after tax)

Part V Property Eligible for Investment Credit

- Basis of new investment property
(a) 3 or more but less than 5 years
(b) 5 or more but less than 7 years
(c) 7 or more years
(d) 7 or more years 1974, 1975, 1976, and 1977
(e) 7 or more years 1978
(f) 3 or more but less than 5 years
(g) 5 or more but less than 7 years
(h) 7 or more years

Part VI Property Used in Recomputing a Prior Year Investment Credit (Enter in corresponding column of Form 4255)

(1) Description of property (also state whether new or used)	(2) Date placed in service	(3) Cost or basis	(4) Estimated useful life	(5) Applicable percentage	(6) Original qualified investment (column 3 x column 5)	(8) Date item ceased to be investment credit property	(9) Period actually used	(10) Applicable percentage	(11) Qualified investment (column 3 x column 10)
A									
B									

Part VII Jobs Credits

- 1 New jobs credit
2 New jobs credit (combined new jobs credit and targeted jobs credit)

Part VIII Other Information

1. Name and address of shareholder	2. Social security number	3. Stock ownership
Robert P. Frey 182 Southport Woods Rd. Southport, CT 06490	366-20-2403	Number of shares 300 Date acquired 11-30-79 Date of disposition

4. Compensation 5. Percentage of time devoted to business 6. Corporation's name, identifying number, and address (including ZIP code)

None As Req. Compo Financial Services, Ltd.
21 Charles Street
Westport, CT 06880 06-0993172

SCHEDULE K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

Revised in Accordance with the Revenue Act of 1978 and the Energy Tax Act of 1978

**Shareholder's Share of Undistributed Taxable
Income, etc.—1978**

Copy A
File with
Form 1120S

Beginning Dec. 26, 1978, ending NOV. 30, 1979
(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

Part I Income

- 1 Undistributed taxable income—ordinary income or (loss) (65)
2 (a) Undistributed taxable income—net long-term capital gain after tax
(b) Portion of line 2(a) attributable to transactions after 10-31-78 (after tax)

Part II Losses from Section 465 Activities

- 1 Shareholder's distributive share of losses from section 465 activities (see instructions)

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- 1(a) Interest on investment indebtedness incurred prior to December 17, 1969
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6 Net capital gain (after tax)

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(b) 5 or more but less than 7 years
(c) 7 or more years
(d) 7 or more years 1974, 1975, 1976, and 1977
(e) 7 or more years 1978
(f) 3 or more but less than 5 years
(g) 5 or more but less than 7 years
(h) 7 or more years

Part VI Property Used in Recomputing a Prior Year Investment Credit (Enter in corresponding column of Form 4255)

(1) Description of property (also state whether new or used)	(2) Date placed in service	(3) Cost or basis	(4) Estimated useful life	(5) Applicable depreciation percentage	(6) Original qualified investment (column 5) in column 5)	(8) Date item ceased to be investment credit property	(9) Period actually used	(10) Applicable percentage	(11) Qualified investment (column 3 x column 10)
A									
B									

Part VII Jobs Credits

- 1 New jobs credit
2 New jobs credit (combined new jobs credit and targeted jobs credit)

Part VIII Other Information

1. Name and address of shareholder	2. Social security number	3. Stock ownership
Roy J. Morton 7 Highwood Lane Westport, CT 06880	411-50-0808	Number of shares 300 Date acquired 11-30-79 Date of disposition

4. Compensation 5. Percentage of time devoted to business 6. Corporation's name, identifying number, and address (including ZIP code)

None As Req. Compo Financial Services, Ltd.
21 Charles Street
Westport, CT 06880 06-0993172

SCHEDULE K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

Revised in Accordance with the Revenue Act of 1978 and the Energy Tax Act of 1978

**Shareholder's Share of Undistributed Taxable
Income, etc.—1978**

Copy A
File with
Form 1120S

beginning Dec. 26 For calendar year 1978 or other taxable year ending Dec. 30 1979
(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

Part I Income

- 1 Undistributed taxable income—ordinary income or (loss) (65)
2 (a) Undistributed taxable income—net long-term capital gain after tax
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Part IV Items of Tax Preference (See Instructions)

- 1 Accelerated depreciation on: (a) Low income rental housing
(b) Other real property
(c) Personal property subject to a lease
2 Amortization (a) (b) (c) (d)
3 Reserves for losses on bad debts of financial institutions
4 Depletion
5 Intangible drilling costs
6 Net capital gain (after tax)

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- Basis of new investment property
(a) 3 or more but less than 5 years
(b) 5 or more but less than 7 years
(c) 7 or more years
(d) 7 or more years 1974, 1975, 1976, and 1977
(e) 7 or more years 1978
(f) 3 or more but less than 5 years
(g) 5 or more but less than 7 years
(h) 7 or more years
Qualified progress expenditures
Cost of used investment property

Part VI Property Used in Computing a Prior Year Investment Credit (Enter in corresponding column of Form 4255)

(1) Description of property (also state whether new or used)	(2) Date placed in service	(3) Cost or basis	(4) Estimated useful life	(5) Applicable percentage	(6) Original qualified investment (column 5 × column 3)	(8) Date item ceased to be investment credit property	(9) Period actually used	(10) Applicable percentage	(11) Qualified investment (column 9 × column 10)
A									
B									

Part VII Jobs Credits

- 1 New jobs credit
2 New jobs credit (combined new jobs credit and targeted jobs credit)

Part VIII Other Information

1. Name and address of shareholder		2. Social security number		3. Stock ownership	
		Number of shares	Date acquired	Period held	Date of disposition
Pamela C. Bechard 462 Rock Rimmon Rd. Stamford, CT 06903		300	043-36-5858	11-30-79	

5. Percentage of time devoted to business

6. Corporation's name, identifying number, and address (including ZIP code)

Compo Financial Services, Ltd.
21 Charles Street
Westport, CT 06880

4. Compensation

None As Req.

06-0993172

872-A

Form
(Rev. September 1980)

Department of the Treasury - Internal Revenue Service

Special Consent to Extend the Time
to Assess Tax

In reply refer to:

E:32:20

SSN or EIN

05-0003172

Compo Financial Services Ltd.

(Name(s))

taxpayer(s) of 21 Charles St.

Westport, CT 06380

(Number, Street, City or Town, State, ZIP Code)

and the District Director of Internal Revenue or Regional Director of Appeals consent and agree as follows:

(1) The amount(s) of any Federal Income (Kind of tax) tax due on any return(s) made by o

for the above taxpayer(s) for the period(s) ended November 30, 1980

may be assessed on or before the 90th (ninetieth) day after: (a) the Internal Revenue Service office considering the case receives Form 872-T, Notice of Termination of Special Consent to Extend the Time to Assess Tax, from the taxpayer(s); or (b) the Internal Revenue Service mails Form 872-T to the taxpayer(s); or (c) the Internal Revenue Service mails a notice of deficiency for such period(s); except that if a notice of deficiency is sent to the taxpayer(s), the time for assessing the tax for the period(s) stated in the notice of deficiency will end 60 days after the period during which the making of an assessment was prohibited. A final adverse determination subject to declaratory judgment under sections 7428, 7476, or 7477 of the Internal Revenue Code will not terminate this agreement.

(2) This agreement ends on the earlier of the above expiration date or the assessment date of an increase in the above tax that reflects the final determination of tax and the final administrative appeals consideration. An assessment for one period covered by this agreement will not end this agreement for any other period it covers. Some assessments do not reflect a final determination and appeals consideration and therefore will not terminate the agreement before the expiration date. Examples are assessments of: (a) tax under a partial agreement; (b) tax in jeopardy; (c) tax to correct mathematical or clerical errors; (d) tax reported on amended returns; and (e) advance payments. In addition, unassessed payments, such as amounts treated by the Service as cash bonds and advance payments not assessed by the Service, will not terminate this agreement before the expiration date determined in (1) above. This agreement ends on the date determined in (1) above regardless of any assessment for any period includible in a report to the Joint Committee on Taxation submitted under section 6405 of the Internal Revenue Code.

(3) This agreement will not reduce the period of time otherwise provided by law for making such assessment.

(4) The taxpayer(s) may file a claim for credit or refund and the Service may credit or refund the tax within 6 (six) months after this agreement ends.

MAKING THIS CONSENT WILL NOT DEPRIVE THE TAXPAYER(S) OF ANY
APPEAL RIGHTS TO WHICH THEY WOULD OTHERWISE BE ENTITLED.

YOUR SIGNATURE HERE → ----- (Date signed) -----

SPOUSE'S SIGNATURE → ----- (Date signed) -----

TAXPAYER'S REPRESENTATIVE
SIGN HERE → ----- (Date signed) -----

CORPORATE NAME → CONY FIDUCIARY SERVICES, LTD. -----

CORPORATE OFFICER(S) SIGN HERE → Heidi Stuehler -----
(Title) (Date signed) 12/21/23

----- (Title) ----- (Date signed) -----

----- JAMES E. QUINN -----
DISTRICT DIRECTOR OF INTERNAL REVENUE REGIONAL DIRECTOR OF APPEALS

BY [Signature] -----
(Signature and Title) 12/21/23 (Date signed)

Instructions

If this consent is for income tax, self-employment tax, or FICA tax on tips and is made for any year(s) for which a joint return was filed, both husband and wife must sign the original and copy of this form unless one, acting under a power of attorney, signs as agent for the other. The signatures must match the names as they appear on the front of this form.

If this consent is for gift tax and the donor and the donor's spouse elected to have gifts to third persons considered as made one-half by each, both husband and wife must sign the original and copy of this form unless one, acting under a power of attorney, signs as agent for the other. The signatures must match the names as they appear on the front of this form.

If this consent is for Chapter 41, 42, or 43 taxes involving a partnership or is for a partnership return, only one authorized partner need sign.

If you are an attorney or agent of the taxpayer(s), you may sign this consent provided the action is specifically authorized by a power of attorney. If the power of attorney was not previously filed, please include it with this form.

If you are acting as a fiduciary (such as executor, administrator, trustee, etc.) and you sign this consent, attach Form 56, Notice Concerning Fiduciary Relationship, unless it was previously filed.

If the taxpayer is a corporation, sign this consent with the corporate name followed by the signature and title of the officer(s) authorized to sign.

If this consent is for Chapter 42 taxes, a separate Form 872-A should be completed for each potential disqualified person or entity that may have been involved in a taxable transaction during the related tax year. See Revenue Ruling 75-391, 1975-2 C.B. 446.

Special Consent to Extend the Time to Assess Tax

E: E: 1312: P, R.
SSN or EIN

049-32-7003

SHELUON B & PHYLLIS BUFFERU

(Name(s))

taxpayer(s) of 11 OAK LAKE WESTON CT 06003

(Number, Street, City or Town, State, ZIP Code)

and the District Director of Internal Revenue or Regional Director of Appeals consent and agree as follows.

(1) The amount(s) of any Federal Income tax due on any return(s) made by or

for the above taxpayer(s) for the period(s) ended December 31, 1979

may be assessed on or before the 90th (ninetieth) day after: (a) the Internal Revenue Service office considering the case receives Form 872-T, Notice of Termination of Special Consent to Extend the Time to Assess Tax, from the taxpayer(s); or (b) the Internal Revenue Service mails Form 872-T to the taxpayer(s); or (c) the Internal Revenue Service mails a notice of deficiency for such period(s); except that if a notice of deficiency is sent to the taxpayer(s), the time for assessing the tax for the period(s) stated in the notice of deficiency will end 60 days after the period during which the making of an assessment was prohibited. A final adverse determination subject to declaratory judgment under sections 7428, 7476, or 7477 of the Internal Revenue Code will not terminate this agreement.

(2) This agreement ends on the earlier of the above expiration date or the assessment date of an increase in the above tax that reflects the final determination of tax and the final administrative appeals consideration. An assessment for one period covered by this agreement will not end this agreement for any other period it covers. Some assessments do not reflect a final determination and appeals consideration and therefore will not terminate the agreement before the expiration date. Examples are assessments of: (a) tax under a partial agreement; (b) tax in jeopardy; (c) tax to correct mathematical or clerical errors; (d) tax reported on amended returns; and (e) advance payments. In addition, unassessed payments, such as amounts treated by the Service as cash bonds and advance payments not assessed by the Service, will not terminate this agreement before the expiration date determined in (1) above. This agreement ends on the date determined in (1) above regardless of any assessment for any period includible in a report to the Joint Committee on Taxation submitted under section 6405 of the Internal Revenue Code.

(3) This agreement will not reduce the period of time otherwise provided by law for making such assessment.

(4) The taxpayer(s) may file a claim for credit or refund and the Service may credit or refund the tax within 6 (six) months after this agreement ends.

(5) The amount of any deficiency assessment is to be limited to that resulting from any adjustment to: (a) the taxpayer's distributive share of any item of income, gain, loss, deduction, or credit of, or distribution from any partnership (or any organization treated by the taxpayer as a partnership on the taxpayer's tax return); (b) the tax basis of the taxpayer's interest(s) in such partnership(s) or organization(s) treated by the taxpayer as a partnership; and (c) any gain or loss (or the character or timing thereof) realized upon the sale or exchange, abandonment, or other disposition of taxpayer's interest in such partnership(s) or organization(s) treated by the taxpayer as a partnership; including any consequential changes to other items based on such adjustment.

RECEIVED
DIR INT REV-HAR
DIST

MAR 15 1983

BRANCH
AUDIT DIV.
FIELD
NORWALK

55

MAKING THIS CONSENT WILL NOT DEPRIVE THE TAXPAYER(S) OF ANY
APPEAL RIGHTS TO WHICH THEY WOULD OTHERWISE BE ENTITLED.

YOUR SIGNATURE HERE → Sheldon B. Bufford -----
(Date signed) 3/7/83 -----

SPOUSE'S SIGNATURE → Phyllis Bufford -----
(Date signed) 3/7/83 -----

TAXPAYER'S REPRESENTATIVE
SIGN HERE → -----
(Date signed) -----

CORPORATE
NAME → -----

CORPORATE
OFFICER(S)
SIGN HERE → -----
(Title) -----
(Date signed) -----

(Title) -----
(Date signed) -----

James E. Quinn
DISTRICT DIRECTOR OF INTERNAL REVENUE ----- REGIONAL DIRECTOR OF APPEALS
BY Edith GROUP MANAGER -----
(Signature and Title) 3/15/83 -----
(Date signed)

Instructions

If this consent is for income tax, self-employment tax, or FICA tax on tips and is made for any year(s) for which a joint return was filed, both husband and wife must sign the original and copy of this form unless one, acting under a power of attorney, signs as agent for the other. The signatures must match the names as they appear on the front of this form.

If this consent is for gift tax and the donor and the donor's spouse elected to have gifts to third persons considered as made one-half by each, both husband and wife must sign the original and copy of this form unless one, acting under a power of attorney, signs as agent for the other. The signatures must match the names as they appear on the front of this form.

If this consent is for Chapter 41, 42, or 43 taxes involving a partnership or is for a partnership return, only one authorized partner need sign.

If you are an attorney or agent of the taxpayer(s), you may sign this consent provided the action is specifically authorized by a power of attorney. If the power of attorney was not previously filed, please include it with this form.

If you are acting as a fiduciary (such as executor, administrator, trustee, etc.) and you sign this consent, attach Form 56, Notice Concerning Fiduciary Relationship, unless it was previously filed.

If the taxpayer is a corporation, sign this consent with the corporate name followed by the signature and title of the officer(s) authorized to sign.

If this consent is for Chapter 42 taxes, a separate Form 872-A should be completed for each potential disqualified person or entity that may have been involved in a taxable transaction during the related tax year. See Revenue Ruling 75-391, 1975-2 C.B. 446.

T.C. Memo. 1991-170

UNITED STATES TAX COURT

SHELDON B. BUFFERD AND PHYLLIS BUFFERD,
 Petitioners v.
 COMMISSIONER OF INTERNAL REVENUE,
 Respondent

Docket No. 3970-88.

Filed April 15, 1991.

We are bound to follow our Court-reviewed opinion in *Fehlhaber v. Commissioner*, 94 T.C. 863 (1990). *Held*: The notice of deficiency mailed to petitioners on December 4, 1987, was timely under section 6501(a) and, therefore, the assessment is not barred by the statute of limitations.

MEMORANDUM FINDINGS OF FACT AND OPINION

WHITAKER, *Judge*: Respondent determined deficiencies and additions to tax in petitioners' Federal income tax as follows:

<u>Year</u>	<u>Deficiency</u>	Addition to Tax Section <u>6653(a)¹</u>
1975	\$ 3,069	\$153.45
1976	3,704	185.20
1977	6,291	314.55
1978	13,859	692.95
1979	12,555	627.75

¹ Unless otherwise noted, all section references are to the Internal Revenue Code of 1954 as amended and in effect for the years in issue, and all Rule references are to the Tax Court Rules of Practice and Procedure.

After concessions, the sole issue for decision is whether the statute of limitations relating to the assessment of an income tax deficiency determined against the shareholder of a subchapter S corporation is to be measured at the corporate level or at the shareholder level. We are bound to follow our Court-reviewed opinion in *Fehlhaber v. Commissioner*, 94 T.C. 863 (1990). Therefore, we hold that the notice of deficiency mailed to petitioners on December 4, 1987, was timely under section 6501(a) and the assessment is not barred by the statute of limitations.

FINDINGS OF FACT

This case was submitted for decision under Rule 122. The stipulations and attached exhibits are incorporated herein by this reference.

Petitioner, Sheldon B. Bufferd, resided in Fairfield, Connecticut, at the time the petition was filed. Petitioner, Phyllis Bufferd, resided in Westport, Connecticut, at the time the petition was filed.

The concessions in this case are as follows: (1) For the 1978 taxable year, petitioner is entitled to an ordinary deduction in the amount of \$20,000 which is equal to his cash investment in Printer Associates; (2) petitioner is not entitled to any other losses or credits attributable to Printer Associates for any year; (3) Mrs. Bufferd is not liable for any deficiencies for the taxable years 1975 through 1979 pursuant to section 6013(e); (4) Mrs. Bufferd is not liable for additions to tax for the taxable years 1975 through 1979 under sections 6653(a) and 6659 pursuant to section 6013(e); (5) Mrs. Bufferd is not liable for the

increased rate of interest under section 6621(c) for the taxable years 1975 through 1979 pursuant to section 6013(e); (6) Mr. Bufferd is not liable for additions to tax for the taxable years 1975 through 1979 under sections 6653(a) and 6659, and (7) Mr. Bufferd is liable for the increased rate of interest under section 6621(c) for the taxable years 1975 through 1979.

The facts that are relevant to the statute of limitation issue remaining in this case are as follows. In 1979 Mr. Bufferd (hereinafter petitioner) was a shareholder in Compo Financial Services, Ltd. (Compo). In 1979 Compo was an electing small business corporation within the meaning of section 1371(a). Compo timely filed a U.S. Small Business Corporation Income Tax Return (Form 1120S) for the taxable period December 26, 1978, through November 30, 1979, on February 1, 1980. Compo did not extend the statute of limitations for assessment of taxes as provided under section 6501(c)(4) with respect to its taxable period ended November 30, 1979. On December 21, 1983, petitioner, in his capacity as secretary/treasurer of Compo executed a Special Consent to Extend the Time to Assess Tax (Form 872-A) with respect to the taxable period ended November 30, 1980. On December 15, 1987, respondent executed a Notice of Termination of Special Consent to Extend the Time to Assess Tax (Form 872-T) with respect to Form 872-A dated July 22, 1985, executed by the parties with respect to Compo's taxable period ended November 30, 1982.

On April 15, 1980, petitioners filed their Federal income tax return for the 1979 taxable year. Petitioners reported their income and deductions for the 1979 taxable year on the basis of cash receipts and disbursements. On

petitioners' 1979 tax return, they claimed an ordinary loss in the total amount of \$11,550 (\$11,050 with respect to Printer Associates and \$500 with respect to Compo). On petitioners' 1979 tax return, they also claimed an investment credit with respect to Compo in the amount of \$8,023.

On March 7, 1983, petitioners timely executed a Form 872-A for their 1979 taxable year. Respondent executed Form 872-A on March 15, 1983. Neither petitioners nor respondent filed a Form 872-T with respect to petitioners' 1979 taxable year.

In the statutory notice of deficiency dated December 4, 1987, respondent disallowed petitioners' claimed 1979 loss and investment credit attributable to Compo for its taxable period December 26, 1978, through November 30, 1979. Respondent further determined that petitioner's distributive share of Compo income in 1979 was \$1,418, resulting in a total adjustment with respect to Compo in the amount of \$1,918. The statutory notice was timely sent to petitioners prior to the expiration of the 3-year period for assessment with respect to petitioners' 1979 tax return, as duly and timely extended under Form 872-A. The statutory notice was issued to petitioners more than 3 years after the filing of Compo's Form 1120S for the taxable period ended November 30, 1979, for which an extension of the assessment period was not executed by the corporation.

OPINION

This issue was previously considered by this Court in *Kelley v. Commissioner*, T.C. Memo. 1986-405. In *Kelley*, this

Court held that the statute of limitations on assessment of a deficiency resulting from the disallowance of a loss flow-through from a subchapter S corporation is measured with reference to the individual shareholder's income tax return, rather than the corporation's information return. This Court's decision in *Kelley* was subsequently reversed in *Kelley v. Commissioner*, 877 F.2d 756 (9th Cir. 1989). In *Fehlhaber v. Commissioner*, 94 T.C. 863 (1990), we reconsidered our opinion in *Kelley*, in view of the reversal by the United States Court of Appeals for the Ninth Circuit. In *Fehlhaber*, we concluded that our holding in *Kelley* was correct and, therefore, we would adhere to our conclusion reached in *Kelley*. In *Fehlhaber*, we respectfully declined to follow the decision of the Court of Appeals for the Ninth Circuit on this issue where the appeal lies to another circuit. See *Golsen v. Commissioner*, 54 T.C. 742, 756-757 (1970), aff'd. 445 F.2d 985 (10th Cir. 1971). The appeal in this case lies in the Second Circuit. Therefore, we are bound to follow our Court-reviewed opinion in *Fehlhaber*. Accordingly, we hold that the notice of deficiency mailed to petitioners on December 4, 1987, was timely under section 6501(a) and, therefore, the assessment is not barred by the statute of limitations.

Decision will be entered under Rule 155.

UNITED STATES TAX COURT

SHELDON B. BUFFERD and)	
PHYLLIS BUFFERD,)	
)	
Petitioners,)	Docket No.
)	3970-88
v.)	
COMMISSIONER OF)	
INTERNAL REVENUE,)	
)	
Respondent.)	

DECISION

Pursuant to the opinion of the Court filed on April 15, 1991, and incorporating herein the facts recited in the respondent's computation as the findings of the Court, it is

ORDERED and DECIDED: That there are deficiencies in income tax due from the petitioners, before application of I.R.C. § 6013(e), as follows:

<u>Deficiencies</u>			
		<u>Additions</u>	
<u>Year</u>	<u>Income Tax</u>	<u>I.R.C. § 6653(a)</u>	<u>I.R.C. § 6659</u>
1975	\$ 3,069.00	- 0 -	- 0 -
1976	3,704.00	- 0 -	- 0 -
1977	6,291.00	- 0 -	- 0 -
1978	4,251.00	- 0 -	- 0 -
1979	12,555.00	- 0 -	- 0 -

That, before application of I.R.C. § 6013(e), the entire deficiency in income tax due from the petitioners for each of the taxable years 1975, 1976, 1977, 1978 and 1979 is a substantial underpayment attributable to tax motivated

transactions for purposes of computing the interest payable pursuant to I.R.C. § 6621(c).

That the foregoing deficiencies are due from the petitioners under the provisions of I.R.C. § 6013(e) as follows:

Joint Liability

		<u>Additions</u>	
<u>Year</u>	<u>Income Tax</u>	<u>I.R.C. § 6653(a)</u>	<u>I.R.C. § 6659</u>
1975	- 0 -	- 0 -	- 0 -
1976	- 0 -	- 0 -	- 0 -
1977	- 0 -	- 0 -	- 0 -
1978	- 0 -	- 0 -	- 0 -
1979	- 0 -	- 0 -	- 0 -

Additional Amounts Due From Sheldon B. Bufferd

		<u>Additions</u>	
<u>Year</u>	<u>Income Tax</u>	<u>I.R.C. § 6653(a)</u>	<u>I.R.C. § 6659</u>
1975	\$ 3,069.00	- 0 -	- 0 -
1976	3,704.00	- 0 -	- 0 -
1977	6,291.00	- 0 -	- 0 -
1978	4,251.00	- 0 -	- 0 -
1979	12,555.00	- 0 -	- 0 -

That the entire deficiency in income tax due from the petitioner, Sheldon B. Bufferd, for each of the taxable years 1975, 1976, 1977, 1978 and 1979 is a substantial underpayment attributable to tax motivated transactions

for purposes of computing the interest payable pursuant to I.R.C. § 6621(c).

(Signed) Meade Whitaker

Judge

Entered: MAY 14 1991

* * *

The parties stipulate that the foregoing decision is in accordance with the opinion of the Court and the respondent's computation, and that the Court may enter this decision, without prejudice to the right of either party to contest the correctness of the decision entered herein.

ABRAHAM N. M. SHASHY, JR.
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By: (Signed) Bradford A. Johnson
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Date: 5-8-91

Date: MAY 10 1991

...

UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

No. 214 - August Term, 1991

(Argued September 25, 1991
Decided January 3, 1992)

Docket No. 91-4099

SHELDON B. BUFFERD; PHYLLIS BUFFERD,

Petitioners-Appellants,

- v. -

COMMISSIONER OF INTERNAL REVENUE,

Respondent-Appellee.

Before:

MESKILL, WINTER and ALTIMARI,

Circuit Judges.

Appeal from a decision by the United States Tax Court determining that the Commissioner of Internal Revenue timely assessed a deficiency on petitioner's individual income tax payment arising from his distributive share in the income of an S corporation.

Affirmed.

MESKILL, *Circuit Judge:*

Sheldon Bufferd appeals from a decision of the United States Tax Court imposing a tax deficiency on him for the year 1979. The sole issue on appeal is whether the Commissioner of Internal Revenue (Commissioner) timely assessed the deficiency. The tax court held that the Commissioner was not barred by the limitation provision of the Internal Revenue Code.

We affirm.

BACKGROUND

In 1979 Sheldon B. Bufferd was a shareholder in Compo Financial Services, Inc., an electing small business corporation under Subchapter S of the Internal Revenue Code. 26 U.S.C. § 1371 *et seq.* (1954 Act) (unless otherwise noted, all references are to the Internal Revenue Code of 1954 as amended and effective during the years in issue). Bufferd and Compo were two of several partners in a venture known as Printer's Associates (Printer's). Printer's reported substantial losses in 1979 arising from a failed investment in a new technology. Compo reported a loss from the Printer's partnership on its 1979 small business corporation income tax return. Bufferd and his wife filed a joint income tax return in 1979. In that return they reported a loss from the Printer's partnership. The Bufferds also reported their distributive share of Compo's loss on their 1979 return.

In March 1983 the Bufferds and a representative of the Commissioner executed a form entitled "Special Consent to Extend the Time to Assess Tax" (Form 872-A). The

document provided that, regardless of the statute of limitations, the Commissioner could assess income tax due on the Bufferds' 1979 return at any time prior to ninety days after revocation of the consent by the Bufferds. The document contained a proviso limiting any such deficiency assessment to that resulting from adjustments to the Bufferds' distributive share from, basis in or sale of any interest in "any partnership (or any organization treated by the taxpayer as a partnership on the taxpayer's return)." The Bufferds never revoked the consent to the extension of time. Compo never assented to an extension of time to assess the tax due for 1979.

The Commissioner subsequently determined that the losses reported by Printer's were improper. The Commissioner thus made adjustments to the Bufferds' 1979 return by disallowing the partnership loss. The Commissioner also adjusted Compo's return to reflect the disallowance of Printer's losses. Bufferd's distributive share from Compo was thus altered from a \$500 loss to a \$1,418 gain. Bufferd's wife settled separately with the Commissioner following her divorce from petitioner. Bufferd ultimately agreed to the deficiency assessed by the Commissioner to the extent of the disallowance of the direct partnership loss. Bufferd argued, however, that the Commissioner could not assess a deficiency with regard to the Compo adjustment because the statute of limitations had run with respect to Compo's tax liability.

The tax court determined that the Form 872-A executed by petitioner defeated Bufferd's statute of limitations defense. Thus the tax court ordered Bufferd to pay the full amount of the deficiency. Bufferd appeals that decision.

DISCUSSION

Bufferd contends that the Commissioner could not properly have made any adjustments to his return that result from adjustments to Compo's return because the limitations period with respect to Compo had expired and no extension of that period had been executed. The commissioner urges that we affirm the tax court, which held that the relevant limitations period for purposes of assessing the tax due on the Bufferds' 1979 joint return was the period directly associated with that return. We agree with the Commissioner and the tax court on this point.

26 U.S.C. § 6501(a) provides the limitations period for the assessment of taxes. That section provides in pertinent part that "the amount of any tax imposed by this title shall be assessed within 3 years after the return was filed." An exception to this limitations period is provided where the Secretary and the taxpayer consent in writing to an extension of time. 26 U.S.C. § 6501(c)(4).

At the heart of this dispute is the meaning of the word "return" in section 6501(a). The Commissioner claims that that term refers to the return of the taxpayer against whom the Commissioner has imposed the deficiency. Bufferd claims that, in the context of a gain or loss resulting from an adjustment to the return of an S corporation, the return of the S corporation is the relevant return.

We recently addressed the meaning of "return" in section 6501(a). In *Siben v. C.I.R.*, 930 F.2d 1034 (2d Cir. 1991), *cert. denied*, 112 S.Ct. 429 (1991), the Commissioner

had made an adjustment to an individual partner's return based on alterations to the partnership return. The taxpayer argued that because the statute of limitations had run with respect to the partnership, the Commissioner was barred from adjusting the individual partner's distributive share of the partnership's income. We stated that

It appears to us that the "return" that starts the running of the limitations period at issue is that of the taxpayer whose liability is being assessed, and not that of a third person or entity whose return might also report the transaction that gives rise to the liability. On this reading, the return referred to in § 6501(a) would thus be the individual's income tax return for an assessment of individual income tax.

Id. at 1035.

Bufferd argues that because the "third person or entity" at issue here is an S corporation rather than a partnership, *Siben* is inapplicable. Bufferd points to 26 U.S.C. § 6037, which states in pertinent part that a return filed by an S corporation "shall, for purposes of chapter 66, (relating to limitations) [and containing section 6501(a)], be treated as a return filed by the corporation under section 6012." The statute that requires partnerships to file returns, 26 U.S.C. § 6031, has no similar provision relating to the effect of those returns on the limitations period.

Bufferd urges that in interpreting the effect of section 6037 on section 6501(a) we adopt the reasoning of *Kelley v. C.I.R.*, 877 F.2d 756 (9th Cir. 1989). In *Kelley* the Ninth Circuit held that those sections bar the Commissioner

from adjusting a shareholder's return based on an adjustment to an S corporation's return when the limitations period has run on the S corporation's return. *Id.* at 759. The court noted that section 6501 barred any adjustments to corporate returns after the limitations period. Section 6037 mandates that S corporation returns be treated as corporate returns for purposes of limitations. Therefore, reasoned the *Kelley* Court, returns of S corporations could not be adjusted in any way after the limitations period had run.

We disagree with *Kelley's* interpretation of section 6501(a). That section bars only the assessment of a tax on an entity more than three years after the entity has filed a return. Section 6501(a) does not bar adjustments to an entity's return that do not result in a tax assessment on that entity. An adjustment to the return of an S corporation that does not impose tax liability on that S corporation is not barred by sections 6501(a) and 6037.

Bufferd argues that if we do not interpret section 6037 as he proposes we will effectively eliminate that section from the statute. We disagree. Section 6037 provides the limitations period for organizations that file returns as S corporations but are nonetheless required to pay some tax on the organization's income. For example, if an organization was not entitled to elect to become an S corporation, any tax on the organization's income as a normal corporation must be assessed within three years of the filing of the S corporation return. *Fehlhaber v. C.I.R.*, 94 T.C. 863 (1990) (quoting S. Rep. No. 1983, 85th Cong. 2nd Sess. (1958), 1958-3 C.B. 922, 1147). In this respect the final phrase in section 6037 performs for S corporations a function similar to that performed by section 6501(g) for

trusts, exempt organizations and Domestic International Sales Corporations.

Moreover, valid S corporations on occasion are required to pay tax on certain types of income. See 26 U.S.C. § 1374 (imposing tax on certain capital gains by S corporations). Section 6037 provides that in such cases the filing of an S corporation return triggers the limitations period for imposition of this direct tax against the S corporation. Section 6037 therefore retains ample meaning even bereft of the interpretation proposed by Bufferd.

Bufferd also argues that if the limitations period of the S corporation does not govern the assessment of tax on a shareholder's distributive share derived from that S corporation, the taxpayer will be unable to defend itself effectively against any deficiency imposed by the Commissioner. Bufferd argues that the S corporation could destroy the books and records necessary for such a defense after its limitations period had passed. In *Siben* we held that "a taxpayer can generally protect himself by taking steps to ensure that the partnership preserves records needed to support the partnership item claimed on the individual partner's return." 930 F.2d at 1037. We believe that a shareholder of an S corporation can take similar protective steps with regard to the S corporation records needed to support the S corporation items claimed on the shareholder's return.

We find the words of section 6501(a) clear and unambiguous. Barring an exception, if the Commissioner wishes to assess a tax on an entity, he must do so within three years after the filing by that entity of the return on which the tax should have been reported. We do not

believe that Section 6037 can fairly be read in the manner proposed by Bufferd.

The relevant return for purposes of section 6501(a) is Bufferd's joint return rather than Compo's S corporation return. The Form 872-A executed in March 1983 by the Bufferds gave the Commissioner the power to assess income tax due on the Bufferds' 1979 return any time prior to ninety days after Bufferd terminated the consent. The printed form also contains a typewritten proviso that limits any deficiency assessment to that resulting from adjustment to the Bufferds' distributive share from, basis in, or sale of any interest in "any partnership (or any organization treated by the taxpayer as a partnership on the taxpayer's return)."¹

Compo Financial Services, Incorporated, was not a partnership and Bufferd did not treat it as a partnership

¹ The entire proviso states:

(5) The amount of any deficiency assessment is to be limited to that resulting from any adjustment to: (a) the taxpayer's distributive share of any item of income, gain, loss, deduction, or credit of, or distribution from *any partnership (or any organization treated by the taxpayer as a partnership on the taxpayer's tax return)*; (b) the tax basis of the taxpayer's interest(s) in such partnership(s) or organization(s) treated by the taxpayer as a partnership; and (c) any gain or loss (or the character or timing thereof) realized upon the sale or exchange, abandonment, or other disposition of taxpayer's interest in such partnership(s) or organization(s) treated by the taxpayer as a partnership; including any consequential changes to other items based on such adjustment.

(emphasis added).

on his 1979 joint return. The extension granted the Commissioner by Bufferd does not by its terms reach the assessment of taxes resulting from an adjustment to Buffer's distributive share from Compo.

However, Bufferd did not raise this theory before the tax court. In fact, Bufferd arguably waived this argument through the stipulations filed before the tax court. Because of these considerations, and because Bufferd did not press this argument on appeal, even after a request for additional briefing on the issue by this Court, we do not reach that issue. We consider the extension applicable to the income at issue here.

CONCLUSION

We agree with the tax court that the relevant return for purposes of determining the statute of limitations is the return of the taxpayer against whom the tax is sought. We therefore affirm the judgment of the tax court.

Supreme Court of the United States

No. 91-7804

Sheldon B. Bufferd,

Petitioner

v.

Commissioner of Internal Revenue

ON PETITION FOR WRIT OF CERTIORARI to the United States Court of Appeals for the Second Circuit.

ON CONSIDERATION of the motion for leave to proceed herein in forma pauperis and of the petition for writ of certiorari, it is ordered by this Court that the motion to proceed in forma pauperis be, and the same is hereby, granted; and that the petition for writ of certiorari be, and the same is hereby, granted.

June 22, 1992
